

(b) Stipend during period of attendance.

Each individual who attends an institute operated under the provisions of this section shall be eligible (after application therefor) to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute, and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each such dependent. (Pub. L. 89-209, § 13, Sept. 29, 1965, 79 Stat. 855.)

§ 963. Presidential appointments.

The President is requested to make such appointments (including any nomination) as are provided for in this chapter within ninety days after September 29, 1965. (Pub. L. 89-209, § 14, Sept. 29, 1965, 79 Stat. 855.)

REFERENCES IN TEXT

"This chapter", referred to in the text, read in the original "this Act", meaning Pub. L. 89-209 for distribution of which in the Code see note under section 952 of this title.

Chapter 27.—NATIONAL VOCATIONAL STUDENT LOAN INSURANCE [New]

§§ 981—996. Repealed. Pub. L. 90-575, title I, § 116(c) (1), Oct. 16, 1968, 82 Stat. 1024.

Section 981, Pub. L. 89-287, § 2, Oct. 22, 1965, 79 Stat. 1037; Pub. L. 90-460, § 2(d) (3), Aug. 3, 1968, 82 Stat. 634, set forth the Congressional declaration of purpose for the chapter and authorized appropriations to carry out such purpose.

Section 982, Pub. L. 89-287, § 3, Oct. 22, 1965, 79 Stat. 1037, authorized the Commissioner to make advances to state and nonprofit private loan insurance programs.

Section 983, Pub. L. 89-287, § 4, Oct. 22, 1965, 79 Stat. 1038, prohibited the Commissioner from issuing certificates of insurance to lenders in states having adequate non-federal loan insurance programs.

Section 984, Pub. L. 89-287, § 5, Oct. 22, 1965, 79 Stat. 1038; Pub. L. 90-460, § 1(b) (1), Aug. 3, 1968, 82 Stat. 634, set forth the scope and duration of the loan insurance program of this chapter.

Section 985, Pub. L. 89-287, § 6, Oct. 22, 1965, 79 Stat. 1039, limited the annual and aggregate amounts available to individuals as loans and covered by insurance under this chapter.

Section 986, Pub. L. 89-287, § 7, Oct. 22, 1965, 79 Stat. 1039, provided for insurance coverage for loans made by eligible lenders, regardless of the source of such loaned funds.

Section 987, Pub. L. 89-287, § 8, Oct. 22, 1965, 79 Stat. 1039; Pub. L. 90-460, § 2(c) (1), Aug. 3, 1968, 82 Stat. 634, set forth the prerequisites of student eligibility and the terms and conditions of the note executed by the student.

Section 988, Pub. L. 89-287, § 9, Oct. 22, 1965, 79 Stat. 1041; Pub. L. 90-460, §§ 1(b) (2), 2(c) (2), (d), Aug. 3, 1968, 82 Stat. 634, provided for the reduction of student interest costs by Federal payments.

Section 989, Pub. L. 89-287, § 10, Oct. 22, 1965, 79 Stat. 1043, Pub. L. 90-460, § 1(b) (3), Aug. 3, 1968, 82 Stat. 634, authorized the Commissioner to make direct loans to students residing in areas where loans insurable under this chapter are unavailable.

Section 990, Pub. L. 89-287, § 11, Oct. 22, 1965, 79 Stat. 1043, provided for certificates of insurance to be issued to eligible lenders.

Section 991, Pub. L. 89-287, § 12, Oct. 22, 1965, 79 Stat. 1045, set forth the procedure for collection in case of default, death, or disability of the student borrower.

Section 992, Pub. L. 89-287, § 13, Oct. 22, 1965, 79 Stat. 1046, established the Vocational Student Loan Insurance Fund.

Section 993, Pub. L. 89-287, § 14, Oct. 22, 1965, 79 Stat. 1047, enumerated the powers and duties of the Commissioner with respect to carrying out the purposes of this chapter.

Section 994, Pub. L. 89-287, § 15, Oct. 22, 1965, 79 Stat. 1048, established the Advisory Council on Insured Loans to Vocational Students in the Office of Education.

Section 995, Pub. L. 89-287, § 16, Oct. 22, 1965, 79 Stat. 1048, authorized federal credit unions to make insured loans to student members.

Section 996, Pub. L. 89-287, § 17, Oct. 22, 1965, 79 Stat. 1048, defined the terms "eligible institution", "eligible lender", "line of credit", "State", "Secretary", and "Commissioner".

EFFECTIVE DATE OF REPEAL

Repeal of sections by Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 116(c) of Pub. L. 90-575, set out as a note under section 1083 of this title.

TRANSFER OF ASSETS AND LIABILITIES OF THE VOCATIONAL STUDENT LOAN INSURANCE FUND

Section 116(c) (2) of Pub. L. 90-575 provided that: "All assets and liabilities of the vocational student loan insurance fund established by section 13 of the National Vocational Student Loan Insurance Act of 1965 [former section 992 of this title], matured or contingent, shall be transferred to, and become assets and liabilities of, the student loan insurance fund established by section 431 of the Higher Education Act of 1965 [section 1081 of this title]. Payments in connection with defaults of loans made on or after the sixtieth day after the date of enactment of this Act [Oct. 16, 1968] and insured by the Commissioner (under the authority of subsection (e) (3) or (e) (4) of this section [set out as a note under section 1083 of this title]) under the National Vocational Student Loan Insurance Act of 1965 [former sections 981—996 of this title] shall be paid out of the fund established by such section 431."

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SUBCHAPTER I.—COMMUNITY SERVICE PROGRAM GRANTS

§ 1001. Authorization of appropriations.

For the purpose of assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under subchapter to strengthen community service programs of colleges and universities, there are authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, \$10,000,000 for the fiscal year ending June 30, 1969, \$50,000,000 for the fiscal year ending June 30, 1970, and \$60,000,000 for the fiscal year ending June 30, 1971. (Pub. L. 89-329, title I, § 101, Nov. 8, 1965, 79 Stat. 1219, amended Pub. L. 90-575, title II, § 201, Oct. 16, 1968, 82 Stat. 1035.)

AMENDMENTS

1968—Pub. L. 90-575 authorized to be appropriated \$10,000,000 for the fiscal year ending June 30, 1969, \$50,000,000 for the fiscal year ending June 30, 1970, and \$60,000,000 for the fiscal year ending June 30, 1971, and struck out the provision appropriating, to enable the Commissioner to make grants, for the fiscal year ending June 30, 1969, and the succeeding fiscal year, only such sums as the Congress hereafter authorizes by law.

SHORT TITLE

Section 1 of Pub. L. 90-575 provided: "That this Act [which enacted sections 451, 452, 453, 454, 455, 746, 1050, 1060, 1087, 1087a, 1087b, 1087c, 1088, 1088a, 1088b, 1088c, 1089, 1119a-1, 1129a, 1133, 1133a, 1133b, 1134, 1134a, 1134b, 1134c, 1134d, 1134e, 1134f, 1134g, 1134h, 1134i, 1134j, 1134k, 1134l, 1135, 1135a, 1135b, 1135c, 1136, 1136a, 1136b, 1145, 1146, 1147, 1148, 1149, and 1150 of this title, amended this section and sections 403, 421, 422, 423, 424, 425, 425 note, 426, 441, 442, 443, 444, 445, 462, 463, 464, 481, 482, 483, 484, 511, 513, 562, 581, 584, 588, 591, 711, 713, 714, 715, 716, 717, 718, 731, 732, 743, 751, 758, 961, 1005, 1006, 1021, 1022, 1023, 1024, 1031, 1033, 1041, 1051, 1061, 1062, 1065, 1066, 1067, 1068, 1071, 1072, 1073, 1074, 1075, 1077, 1078, 1080, 1083, 1084, 1085, 1086, 1091c, 1101, 1104, 1108, 1109, 1110, 1111, 1113, 1114, 1115, 1118, 1119a, 1119b-2, 1121, 1124, 1125, 1141, 1142, 1143, 1144, and 1176 of this title, section 1464 of Title 12, and sections 2741, 2751, 2752, 2753, 2754, 2755, 2756, and 2809 of Title 42, repealed sections 733, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, and 996 of this title, and section 2757 of Title 42, and enacted provisions set out as notes under this section and sections 423, 424, 425, 445, 462, 463, 464, 588, 713, 716, 717, 718, 743, 751, 981, 1006, 1022, 1024, 1051, 1056, 1060, 1067, 1071, 1077, 1078, 1083, 1088b, and 1109 of this title, and sections 2751, 2753, 2754, and 2809 of Title 42] may be cited as the 'Higher Education Amendments of 1968'."

Section 1 of Pub. L. 89-329 provided: "That this Act [enacting this chapter and section 2757 of this title, and amending sections 403, 424, 425, 441, 443, 591, 711, 713-717, 731, and 751 of this title, and sections 2751-2756, and 2761 of Title 42, The Public Health and Welfare] may be cited as the 'Higher Education Act of 1965'."

RULEMAKING REQUIREMENTS; PUBLICATION IN FEDERAL REGISTER

Section 505 of Pub. L. 90-575 provided that: "No standard, rule, regulation, or requirement of general applicability prescribed for the administration of this Act or any Act amended by this Act [see Short Title note under this section] may take effect until 30 days after it is published in the Federal Register."

PRESIDENTIAL RECOMMENDATIONS BY DEC. 31, 1969, WITH RESPECT TO POST-SECONDARY EDUCATION FOR ALL

Section 508 of Pub. L. 90-575 provided that: "On or before December 31, 1969, the President shall submit to the Congress proposals relative to the feasibility of making available a post-secondary education to all young Americans who qualify and seek it."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1003 of this title.

§ 1002. Definition of community service program.

For purposes of this subchapter, the term "community service program" means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

(1) that the proposed program, activity, or service is not otherwise available, and

(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

(A) fully acceptable toward an academic degree, or

(B) of college level as determined by the institution offering such courses. (Pub. L. 89-329, title I, § 102, Nov. 8, 1965, 79 Stat. 1219.)

§ 1003. Allotments to States.

(a) Amount.

Of the sums appropriated pursuant to section 1001 of this title for each fiscal year, the Commissioner shall allot \$25,000 each to Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands and \$100,000 to each of the other States, and he shall allot to each State an amount which bears the same ratio to the remainder of such sums as the population of the State bears to the population of all States.

(b) Reallotment of funds not required to carry out State plan.

The amount of any State's allotment under subsection (a) of this section for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this subchapter shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year from funds appropriated pursuant to section 1001 of this title shall be deemed part of its allotment under subsection (a) of this section for such year.

(c) Addition of portion of State's allotment to allotment of another State.

In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this subchapter be added to the allotment of another State under this subchapter for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this subchapter. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this subchapter, such portion of such State's allotment shall be added to the allotment of the other State under this subchapter to be used for the purpose referred to above.

(d) Determination of State's population.

The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce. (Pub. L. 89-329, title I, § 103, Nov. 8, 1965, 79 Stat. 1219.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1004, 1005 of this title.

§ 1004. Uses of allotments.

A State's allotment under section 1003 of this title may be used, in accordance with its State plan approved under section 1005(b) of this title, to provide new, expanded, or improved community service programs. (Pub. L. 89-329, title I, § 104, Nov. 8, 1965, 79 Stat. 1220.)

§ 1005. State plans; submission to Commissioner through designated State agencies; required provisions; approval.

(a) Any State desiring to receive its allotment of Federal funds under this subchapter shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs, and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purposes of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this subchapter shall be in such detail as the Commissioner deems necessary and shall—

(1) provide that the agency or institution so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and provide that such agency or institution shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) set forth a comprehensive, coordinated, and statewide system of community service programs under which funds paid to the State (including funds paid to an institution pursuant to section 1006(c) of this title) under its allotments under section 1003 of this title will be expended solely for community service programs which have been approved by the agency or institution administering the plan (except that if a comprehensive, coordinated, and statewide system of community service programs cannot be effectively carried out by reason of insufficient funds, the plan may set forth one or more proposals for community service programs in lieu of a comprehensive, coordinated, and statewide system of such programs);

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education (whether public or private) to provide effective community service programs;

(B) to the availability of and need for community service programs among the population within the State; and

(C) to the results of periodic evaluations of the programs carried out under this subchapter in the light of information regarding current and anticipated community problems in the State;

(4) set forth policies and procedures designed to assure that Federal funds made available under this subchapter will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service programs;

(5) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State or by the Commissioner to institutions of higher education) under this subchapter; and

(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this subchapter, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a) of this section. (Pub. L. 89-329, title I, § 105, Nov. 8, 1965, 79 Stat. 1220, amended Pub. L. 90-575, title II, § 202, Oct. 16, 1968, 82 Stat. 1036.)

AMENDMENTS

1968—Subsec. (a) (2). Pub. L. 90-575 added the provision that if a comprehensive, coordinated, and statewide system of community service programs cannot be carried out because of insufficient funds, the plan may set forth one or more proposals for community service programs in lieu of a comprehensive, coordinated, and statewide system of such programs.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1004, 1006, 1007, 1008 of this title.

§ 1006. Payments.

(a) Agencies and institutions to which made; amount.

Except as provided in subsection (b) of this section, payment under this subchapter shall be made to those State agencies and institutions which administer plans approved under section 1005(b) of this title. Payments under this subchapter from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, 50 per centum of such costs for the fiscal year ending June 30, 1968, and 66⅔ per centum of such costs for fiscal years ending on or after June 30, 1969, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per

centum of the costs for that year for which payment under this subsection may be made to that State, or \$25,000, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

(b) Funds required from non-Federal sources.

No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) of this section is sought.

(c) Manner of payment.

Payments to a State under this subchapter may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education designated for this purpose by the State, or to both. (Pub. L. 89-329, title I, § 106, Nov. 8, 1965, 79 Stat. 1221, amended Pub. L. 90-575, title II, § 203(a), Oct. 16, 1968, 82 Stat. 1036.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 substituted "50 per centum of such costs for the fiscal year ending June 30, 1968, and 66⅔ per centum of such costs for fiscal years ending on or after June 30, 1969" for "and 50 per centum of such costs for each of the three succeeding fiscal years".

EFFECTIVE DATE OF 1968 AMENDMENT

Section 203(b) of Pub. L. 90-575 provided that: "The amendment made by subsection (a) of this section [amending subsec. (a) of this section] shall be effective with respect to grants awarded after the enactment of this Act [Oct. 16, 1968]."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1005 of this title.

§ 1007. Disapproval of State plans; notice and hearing; findings of Commissioner; notification to State of non-eligibility.

(a) The Commissioner shall not finally disapprove any State plan submitted under this subchapter or any modification thereof, without first affording the State agency or institution submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency or institution administering a State plan approved under section 1005(b) of this title, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 1005(a) of this title, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision.

the Commissioner shall notify the State agency or institution that the State will not be regarded as eligible to participate in the program under this subchapter until he is satisfied that there is no longer any such failure to comply. (Pub. L. 89-329, title I, § 107, Nov. 8, 1965, 79 Stat. 1222.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1008 of this title.

§ 1008. Judicial review.

(a) Appeal from final action of Commissioner to court of appeals.

If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 1005(a) of this title or with his final action under section 1007(b) of this title, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of Title 28.

(b) Conclusiveness of Commissioner's findings; remand to take further evidence; conclusiveness of new or modified findings.

The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) Jurisdiction of court of appeals to affirm or set aside Commissioner's action review by Supreme Court.

The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of Title 28. (Pub. L. 89-329, title I, § 108, Nov. 8, 1965, 79 Stat. 1222.)

§ 1009. National Advisory Council on Extension and Continuing Education.

(a) Appointment; composition; meetings.

The President shall, within ninety days of November 8, 1965, appoint a National Advisory Council on Extension and Continuing Education (hereafter referred to as the "Advisory Council"), consisting of the Commissioner, who shall be Chairman, one representative each of the Departments of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education responsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and

continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

(b) Advisory function of Council.

The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this subchapter, including policies and procedures governing the approval of State plans under section 1005(b) of this title, and policies to eliminate duplication and to effectuate the coordination of programs under this subchapter and other programs offering extension or continuing education activities and services.

(c) Review of administration and effectiveness of federally supported programs; recommendations; annual report to Secretary and President.

The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this subchapter and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

(d) Compensation; travel expenses.

Members of the Advisory Council who are not regular full-time employees of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 73b-2 of Title 5 for persons in the Government service employed intermittently.

(e) Technical, secretarial and clerical assistance.

The Secretary shall engage such technical assistance as may be required to carry out the functions of the Advisory Council, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions.

(f) Utilization of services and facilities of Federal agencies.

In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency. (Pub. L. 89-329, title I, § 109, Nov. 8, 1965, 79 Stat. 1223.)

CODIFICATION

The provisions of section 73b-2 of title 5, referred to in this section, have been incorporated in revised title 5 section 5703.

§ 1010. Authorities under other laws not modified.

Nothing in this subchapter shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended; the Vocational Education Act of 1946, as amended; the Vocational Education Act of 1963; title VIII of the Housing Act of 1964 (Public Law 88-560); or the Act of May 8, 1914 (Smith-Lever Act), as amended. (Pub. L. 89-329, title I, § 110, Nov. 8, 1965, 79 Stat. 1224.)

REFERENCES IN TEXT

The Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended, referred to in the text, is classified to sections 11—15 and 16—28 of this title.

The Vocational Education Act of 1946, as amended, referred to in the text, is classified to sections 15i—15m, 15o—15q, 15aa—15jj, and 15aaa—15ggg of this title.

The Vocational Education Act of 1963, referred to in the text, is classified to sections 35—35n of this title.

Title VIII of the Housing Act of 1964 (Public Law 88-560), referred to in the text, is classified to sections 801—805 and 811 of this title.

The Act of May 8, 1914 (Smith-Lever Act), as amended, referred to in the text, is classified to sections 341—343, 344—346, and 347a—349 of Title 7, Agriculture.

§ 1011. Prohibition against grants for programs relating to sectarian instruction or religious worship.

No grant may be made under this subchapter for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects. (Pub. L. 89-329, title I, § 111, Nov. 8, 1965, 79 Stat. 1224.)

SUBCHAPTER II.—LIBRARY ASSISTANCE

PART A.—LIBRARY RESOURCES GRANTS

§ 1021. Authorization of appropriations.

There are authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, \$25,000,000 for the fiscal year ending June 30, 1969, \$75,000,000 for the fiscal year ending June 30, 1970, and \$90,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants under this part to institutions of higher education to assist and encourage such institutions in the acquisition for library purposes of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding). (Pub. L. 89-329, title II, § 201, Nov. 8, 1965, 79 Stat. 1224, amended Pub. L. 90-575, title II, § 211, Oct. 16, 1968, 82 Stat. 1036.)

AMENDMENTS

1968—Pub. L. 90-575 authorized to be appropriated \$25,000,000 for the fiscal year ending June 30, 1969, \$75,000,000 for the fiscal year ending June 30, 1970, and \$90,000,000 for the fiscal year ending June 30, 1971, and struck out the provision appropriating, to enable the Commissioner to make grants, for the fiscal year ending June 30, 1969, and the succeeding fiscal year, only such sums as the Congress hereafter authorizes by law.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1022, 1023, 1024 of this title.

§ 1022. Basic grants; authorization; maximum amount; applications.

From 75 per centum of the sums appropriated pursuant to section 1021 of this title for any fiscal year, the Commissioner is authorized to make basic grants for the purposes set forth in that section to institutions of higher education, combinations of such institutions, and, in accordance with criteria prescribed by regulation, new institutions of higher education in the fiscal year preceding the first year in which students are to be enrolled. The amount of a basic grant shall not exceed \$5,000 for each such institution of higher education and each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner, and a basic grant under this subsection may be made only if the application therefor is approved by the Commissioner upon his determination that the application (whether by an individual institution or a combination of institutions)—

(a) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for all library purposes (exclusive of construction) (1) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is the lesser, and (2) an amount (from such other sources) equal to not less than the amount of such grant;

(b) provides satisfactory assurance that the applicant will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related materials (including necessary binding) for library purposes an amount not less than the average annual amount it expended for such materials during the two-year period ending June 30, 1965, or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is the lesser;

(c) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(d) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(Pub. L. 89-329, title II, § 202, Nov. 8, 1965, 79 Stat. 1224, amended Pub. L. 89-752, § 9, Nov. 3, 1966, 80 Stat. 1243; Pub. L. 90-575 title II, § 214(a), Oct. 16, 1968, 82 Stat. 1037.)

AMENDMENTS

1968—Pub. L. 90-575 added provision authorizing grants, in accordance with criteria prescribed by regulations, to new institutions of higher education in the fiscal year preceding the first year in which students are to be enrolled.

1966—Pub. L. 89-752 inserted ", or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is the lesser" following "June 30, 1965" in clauses (a) and (b).

EFFECTIVE DATE OF 1968 AMENDMENT

Section 214(b) of Pub. L. 90-575 provided that: "The amendments made by subsection (a) [amending this section] shall be effective with respect to appropriations for grants under title II of the Higher Education Act of 1965 [this subchapter] for fiscal years beginning after June 30, 1969."

EFFECTIVE DATE OF 1966 AMENDMENT

Section 9 of Pub. L. 89-752 provided in part that amendments to clauses (a) and (b) of this section are to be effective for fiscal year beginning after June 30, 1966.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1023 of this title.

§ 1023. Supplemental grants; authorization; maximum amount; applications; basic criteria for approval.

(a) From the remainder of such 75 per centum of the sums appropriated pursuant to section 1021 of this title for any fiscal year, plus any part of such sums as the Commissioner determines will not be used for making grants under section 1024 of this title, the Commissioner is authorized to make supplemental grants for the purposes set forth in section 1021 of this title, to institutions of higher education (and to each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner) and combinations of such institutions. The amount of a supplemental grant shall not exceed \$10 for each full-time student (including the full-time equivalent of the number of part-time students) enrolled in each such institution (or branch), as determined pursuant to regulations of the Commissioner. A supplemental grant may be made only upon application therefor, in such form and containing such information as the Commissioner may require, which application shall—

(1) meet the application requirements set forth in section 1022 of this title except for the matching requirement set forth in paragraph (a) (2) of that section;

(2) describe the size and quality of the library resources of the applicant in relation to its present enrollment and any expected increase in its enrollment;

(3) set forth any special circumstances which are impeding or will impede the proper development of its library resources; and

(4) provide a general description of how a supplemental grant would be used to improve the size or quality of its library resources.

(b) The Commissioner shall approve applications for supplemental grants on the basis of basic criteria prescribed in regulations and developed after consultation with the Council created under section 1025 of this title. Such basic criteria shall be such as will best tend to achieve the objectives of this part and they (1) may take into consideration factors

such as the size and age of the library collection and student enrollment, and (2) shall give priority to institutions in need of financial assistance for library purposes. (Pub. L. 89-329, title II, § 203, Nov. 8, 1965, 79 Stat. 1225, amended Pub. L. 90-575, title II, § 212 (a), Oct. 16, 1968, 82 Stat. 1036.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 added reference to each branch of institutions of higher education which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner, and added "(or branch)" following "enrolled in each such institution".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1024 of this title.

§ 1021. Special purpose grants; amount; institutions eligible; uses; applications.

(a) (1) Twenty-five per centum of the sums appropriated pursuant to section 1021 of this title for each fiscal year shall be used by the Commissioner in accordance with this subsection.

(2) Of the sums available for use under paragraph (1) sixty per centum may be used to make special grants (A) to institutions of higher education (or to branches of such institutions which are located in a community different from that in which the parent institution is located, as determined in accordance with regulations of the Commissioner) which demonstrate a special need for additional library resources and which demonstrate that such additional library resources will make a substantial contribution to the quality of their educational resources, (B) to institutions of higher education (or to such branches) to meet special national or regional needs in the library and information sciences, and (C) to combinations of institutions of higher education which need special assistance in establishing and strengthening joint-use facilities. Grants under this section may be used only for books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials, and other related library materials (including necessary binding).

(3) Any sums available for use under paragraph (1) which are not used for the purposes of paragraph (2) shall be used in the manner prescribed by the first sentence of section 1023(a) of this title.

(b) Grants pursuant to paragraph (2) of subsection (a) of this section shall be made upon application providing satisfactory assurance that (1) the applicant (or applicants jointly in the case of a combination of institutions) will expend during the fiscal year for which the grant is requested (from funds other than funds received under this part) for the same purpose as such grant an amount from such other sources equal to not less than 33½ per centum of such grant, and (2) in addition each such applicant will expend during such fiscal year (from such other sources) for all library purposes (exclusive of construction) an amount not less than the average annual amount it expended for such purposes during the two-year period ending June 30, 1965, or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is less. (Pub. L. 89-329, title II, § 204, Nov. 8, 1965, 79 Stat. 1226, amended Pub. L. 90-575, title II, §§ 212(b), (c), 213 (a), Oct. 16, 1968, 82 Stat. 1036.)

AMENDMENTS

1968—Subsec. (a) (2) (A). Pub. L. 90-575, § 212(b), added reference to branches of institutions of higher education which are located in a community different from that in which the parent institution is located, as determined in accordance with regulations of the Commissioner.

Subsec. (a) (2) (B). Pub. L. 90-575, § 212(c), added "(or to such branches)" following "to institutions of higher education".

Subsec. (b) (2). Pub. L. 90-575, § 213(a), added ", or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is less." following "June 30, 1965".

EFFECTIVE DATE OF 1968 AMENDMENT

Section 213(b) of Pub. L. 90-575 provided that: "The amendment made by subsection (a) [amending subsec. (b) (2) of this section] shall be effective with respect to applications for grants payable on or after the date of the enactment of this Act [Oct. 16, 1968]."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1023, 1025 of this title.

§ 1025. Advisory Council on College Library Resources.

(a) Establishment; composition.

The Commissioner shall establish in the Office of Education an Advisory Council on College Library Resources consisting of the Commissioner, who shall be Chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) Functions; appointment of advisory and technical experts and consultants.

The Advisory Council shall advise the Commissioner with respect to establishing criteria for the making of supplemental grants under section 1023 of this title and the making of special purpose grants under section 1024 of this title. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Council.

(c) Compensation; travel expenses.

Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 73b-2 of Title 5 for persons in the Government service employed intermittently. (Pub. L. 89-329, title II, § 205, Nov. 8, 1965, 79 Stat. 1226.)

CODIFICATION

The provisions of section 73b-2 of title 5, referred to in this section, have been incorporated in revised title 5 section 5703.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1023 of this title.

§ 1026. Accreditation of educational institutions.

For the purposes of this part, an educational institution shall be deemed to have been accredited by a nationally recognized accrediting agency or association if the Commissioner determines that there is satisfactory assurance that upon acquisition of the library resources with respect to which assistance under this part is sought, or upon acquisition

of those resources and other library resources planned to be acquired within a reasonable time, the institution will meet the accreditation standards of such agency or association. (Pub. L. 89-329, title II, § 206, Nov. 8, 1965, 79 Stat. 1226.)

§ 1027. Prohibition against grants for library resources to be used for sectarian instruction or religious worship.

No grant may be made under this part for books, periodicals, documents, or other related materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects. (Pub. L. 89-329, title II, § 207, Nov. 8, 1965, 79 Stat. 1227.)

§ 1028. Institutions required to inform State agencies of activities.

Each institution of higher education which receives a grant under this part shall periodically inform the State agency (if any) concerned with the educational activities of all institutions of higher education in the State in which such institution is located, of its activities under this part. (Pub. L. 89-329, title II, § 208, Nov. 8, 1965, 79 Stat. 1227.)

PART B.—LIBRARY TRAINING AND RESEARCH GRANTS

§ 1031. Authorization of appropriations.

There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, \$11,800,000 for the fiscal year ending June 30, 1969, \$28,000,000 for the fiscal year ending June 30, 1970, and \$38,000,000 for the fiscal year ending June 30, 1971, for the purpose of carrying out this part. (Pub. L. 89-329, title II, § 221, Nov. 8, 1965, 79 Stat. 1227, amended Pub. L. 90-575, title II, § 215, Oct. 16, 1968, 82 Stat. 1037.)

AMENDMENTS

1968—Pub. L. 90-575 authorized to be appropriated \$11,800,000 for the fiscal year ending June 30, 1969, \$28,000,000 for the fiscal year ending June 30, 1970, and \$38,000,000 for the fiscal year ending June 3, 1971, and struck out the provision appropriating, for the fiscal year ending June 30, 1969, and the succeeding fiscal year, only such sums as the Congress hereafter authorizes by law.

§ 1032. Definition of librarianship.

For the purposes of this part the term "librarianship" means the principles and practices of the library and information sciences, including the acquisition, organization, storage, retrieval, and dissemination of information, and reference and research use of library and other information resources. (Pub. L. 89-329, title II, § 222, Nov. 8, 1965, 79 Stat. 1227.)

§ 1033. Grants for training in librarianship; authorization; uses; applications.

(a) The Commissioner is authorized to make grants to institutions of higher education to assist

them in training persons in librarianship. Such grants may be used by such institutions (1) to assist in covering the cost of courses of training or study (including short term or regular session institutes) for such persons, (2) for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner, and (3) for establishing, developing, or expanding programs of library and information science.

(b) The Commissioner may make a grant to an institution of higher education only upon application by the institution and only upon his finding that such program will substantially further the objective of increasing the opportunities throughout the Nation for training in librarianship. (Pub. L. 89-329, title II, § 223, Nov. 8, 1965, 79 Stat. 1227, amended Pub. L. 90-575, title II, § 216, Oct. 16, 1968, 82 Stat. 1037.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 denominated existing provisions as subsec. (a) (1) and (a) (2), and in subsec. (a) (1) as so denominated, added reference to short term or regular session institutes, and added provisions of subsec. (a) (3).

§ 1034. Grants for research and demonstration projects.

(a) Authorization; contracts for conduct of activities; prohibition against grants to other than non-profit agencies or institutions.

The Commissioner is authorized to make grants to institutions of higher education and other public or private agencies, institutions, and organizations, for research and demonstration projects relating to the improvement of libraries or the improvement of training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such research and demonstrations, and, without regard to section 5 of Title 41, to provide by contracts with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

(b) Special advisory committee; appointment; membership; functions.

The Commissioner is authorized to appoint a special advisory committee of not more than nine members to advise him on matters of general policy concerning research and demonstration projects relating to the improvement of libraries and the improvement of training in librarianship, or concerning special services necessary thereto or special problems involved therein.

(c) Compensation and travel expenses of committee.

Members of the committee appointed under this section who are not regular full-time employees of the United States shall, while serving on the business of the committee, be entitled to receive compensation at rates fixed by the Commissioner, but not in excess of \$100 per diem, including travel time; and they may, while so serving away from their homes or regular places of business, be allowed travel ex-

penses, including per diem in lieu of subsistence, as authorized by section 73b-2 of Title 5 for persons in the Government service employed intermittently. (Pub. L. 89-329, title II, § 224, Nov. 8, 1965, 79 Stat. 1228.)

CODIFICATION

The provisions of section 73b-2 of title 5, referred to in this section, have been incorporated in revised title 5 section 5703.

PART C.—ASSISTANCE TO LIBRARY OF CONGRESS FOR ACQUISITION AND CATALOGING OF LIBRARY MATERIAL

§ 1011. Authorization of appropriations.

There are hereby authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, \$6,315,000 for the fiscal year ending June 30, 1967, \$7,770,000 for the fiscal year ending June 30, 1968, \$6,000,000 for the fiscal year ending June 30, 1969, and \$11,100,000 each for the fiscal year ending June 30, 1970, and the succeeding fiscal year, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

(1) acquiring, so far as possible, copies of all library materials currently published throughout the world which are of value to scholarship;

(2) providing catalog information promptly and distributing this and other bibliographic information about library materials by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these materials as are not needed for its own collections; and

(3) enabling the Librarian of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the States and not readily obtainable outside of the country of origin, for institutions of higher education or combinations thereof for library purposes, or for other public or private nonprofit research libraries.

(Pub. L. 89-329, title II, § 231, Nov. 8, 1965, 79 Stat. 1228, amended Pub. L. 90-575, title II, §§ 217, 218, Oct. 16, 1968, 82 Stat. 1037.)

AMENDMENTS

1968—Pub. L. 90-575, § 217, authorized to be appropriated \$6,000,000 for the fiscal year ending June 30, 1969, and \$11,100,000 each for the fiscal year ending June 30, 1970, and the succeeding fiscal year, and struck out the provision appropriating for the fiscal year ending June 30, 1969, and the succeeding fiscal year, to enable the Commissioner to transfer funds to the Librarian of Congress, only such sums as the Congress hereafter authorizes by law.

Par. (1). Pub. L. 90-575, § 218(1), added "copies of" following "so far as possible,".

Par. (2). Pub. L. 90-575, § 218(2), substituted "promptly and distributing this and other bibliographic information about library materials" for "for these materials promptly after receipt, and distributing bibliographic information".

Par. (3). Pub. L. 90-575, § 218(3), added par. (3).

SUBCHAPTER III.—ASSISTANCE TO DEVELOPING INSTITUTIONS

§ 1051. Statement of purpose; authorization of appropriations.

(a) The purpose of this subchapter is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation but which for financial and other reasons

are struggling for survival and are isolated from the main currents of academic life, and to do so by enabling the Commissioner to establish a national teaching fellow program and to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry, in their effort to improve their academic quality.

(b) (1) There is authorized to be appropriated the sum of \$55,000,000 for the fiscal year ending June 30, 1966, the sum of \$30,000,000 for the fiscal year ending June 30, 1967, the sum of \$35,000,000 for the fiscal year ending June 30, 1969, the sum of \$70,000,000 for the fiscal year ending June 30, 1970, and the sum of \$91,000,000 for the fiscal year ending June 30, 1971, to carry out the provisions of this subchapter

(2) Of the sums appropriated pursuant to this section for any fiscal year, 77 per centum shall be available only for carrying out the provisions of this subchapter with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this subchapter with respect to developing institutions which do not plan to award such a degree during such year. (Pub. L. 89-329, title III, § 301, Nov. 8, 1965, 79 Stat. 1229, amended Pub. L. 89-752, § 10, Nov. 3, 1966, 80 Stat. 1243; Pub. L. 90-575, title II, §§ 221, 222, Oct. 16, 1968, 82 Stat. 1038.)

AMENDMENTS

1968—Subsec. (b) (1). Pub. L. 90-575, § 221, authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1969, the sum of \$70,000,000 for the fiscal year ending June 30, 1970, and the sum of \$91,000,000 for the fiscal year ending June 30, 1971.

Subsec. (b) (2). Pub. L. 90-575, § 222, substituted "77 per centum" for "78 per centum".

1966—Subsec. (b) (1). Pub. L. 89-752 inserted "the sum of \$30,000,000 for the fiscal year ending June 30, 1967, and the sum of \$55,000,000 for the fiscal year ending June 30, 1968," following "June 30, 1966,".

EFFECTIVE DATE OF 1968 AMENDMENT

Section 222 of Pub. L. 90-575 provided in part that the amendment to subsec. (b) (2) of this section by section 222 of Pub. L. 90-575 shall be effective with respect to fiscal years beginning after June 30, 1968.

§ 1052. Definition of developing institution.

As used in this subchapter the term "developing institution" means a public or nonprofit educational institution in any State which—

(a) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineer-

ing, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) has met the requirements of clauses (a) and (c) during the five academic years preceding the academic year for which it seeks assistance under this subchapter;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specially for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

(Pub. L. 89-329, title III, § 302, Nov. 8, 1965, 79 Stat. 1229.)

§ 1053. Advisory Council on Developing Institutions.

(a) Establishment; composition.

The Commissioner shall establish in the Office of Education an Advisory Council on Developing Institutions (hereinafter in this subchapter referred to as the "Council"), consisting of the Commissioner who shall be Chairman, one representative each of such Federal agencies having responsibilities with respect to developing institutions as the Commissioner may designate, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) Functions; appointment of advisory and technical experts and consultants.

The Council shall advise the Commissioner with respect to policy matters arising in the administration of this subchapter and in particular shall assist the Commissioner in identifying those developing institutions through which the purposes of this subchapter can best be achieved and in establishing priorities for use in approving applications under this subchapter. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Council.

(c) Compensation; travel expenses.

Members of the Council who are not otherwise full-time employees of the United States shall, while serving on business of the Council, receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 73b-2 of Title 5 for persons

in the Government service employed intermittently. (Pub. L. 89-329, title III, § 303, Nov. 8, 1965, 79 Stat. 1230.)

CODIFICATION

The provisions of section 73b-2 of title 5, referred to in this section, have been incorporated in revised title 5 section 5703.

§ 1054. Grants for cooperative arrangements to strengthen developing institutions.

(a) Authorization; uses.

The Commissioner is authorized to make grants to developing institutions and other colleges and universities to pay part of the cost of planning, developing, and carrying out cooperative arrangements which show promise as effective measures for strengthening the academic programs and the administration of developing institutions. Such cooperative arrangements may be between developing institutions, between developing institutions and other colleges and universities, and between developing institutions and organizations, agencies, and business entities. Grants under this section may be used for projects and activities such as—

- (1) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions;
- (2) faculty and administration improvement programs utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means;
- (3) introduction of new curriculums and curricular materials;
- (4) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;
- (5) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment; and
- (6) other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions.

(b) Applications; time; contents; approval.

A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

- (1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (a) of this section and provides for such methods of administration as are necessary for the proper and efficient operation of the program;
- (2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (a) of this section, and in no case supplant such funds;
- (3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for

Federal funds paid to the applicant under this section; and

- (4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this subchapter, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(c) Establishment of criteria for use of grants.

The Commissioner shall, after consultation with the Council, establish criteria as to eligible expenditures for which grants made under this section may be used, which criteria shall be so designed as to prevent the use of such grants for expenditures not necessary to the achievement of the purposes of this subchapter. (Pub. L. 89-329, title III, § 304, Nov. 8, 1965, 79 Stat. 1230.)

§ 1055. Teaching fellowships; persons eligible; applications; findings by Commissioner; maximum period and amount.

(a) The Commissioner is authorized to award fellowships under this section to highly qualified graduate students and junior members of the faculty of colleges and universities, to encourage such individuals to teach at developing institutions. The Commissioner shall award fellowships to individuals for teaching at developing institutions only upon application by an institution approved for this purpose by the Commissioner and only upon a finding by the Commissioner that the program of teaching set forth in the application is reasonable in the light of the qualifications of the teaching fellow and of the educational needs of the applicant.

(b) Fellowships may be awarded under this section for such period of teaching as the Commissioner may determine, but such period shall not exceed two academic years. Each person awarded a fellowship under the provisions of this section shall receive a stipend for each academic year of teaching of not more than \$6,500 as determined by the Commissioner upon the advice of the Council, plus an additional amount of \$400 for each such year on account of each of his dependents. (Pub. L. 89-329, title III, § 305, Nov. 8, 1965, 79 Stat. 1231.)

§ 1056. Grants to retired professors.

(a) Purpose; procedure.

The Commissioner is authorized to award grants under this section, from funds appropriated for the purpose of this subchapter, to professors retired from active duty at institutions of higher education (other than developing institutions) to encourage such professors to teach and to conduct research at developing institutions. Such grants may be awarded by the Commissioner (1) only upon application made by an institution and approved for this purpose by the Commissioner and (2) only upon a finding by the Commissioner that the program of teaching or research set forth in the application is reasonable in the light of the qualifications of the professor emeritus and of the educational needs of the applicant.

(b) Dissemination of information.

The Commissioner shall undertake a program of dissemination of information concerning this section.

(c) Maximum period and amount.

Grants may be awarded under this section for such period of teaching or research as the Commissioner may determine. The amount of each grant awarded under the provisions of this section for each academic year of teaching or research shall be determined by the Commissioner upon the advice of the Council. (Pub. L. 89-329, title III, § 306, as added Pub. L. 90-575, title II, § 223(a), Oct. 16, 1968, 82 Stat. 1038.)

EFFECTIVE DATE

Section 223(b) of Pub. L. 90-575 provided that: "The amendment made by this section [enacting this section] shall be effective with respect to appropriations for fiscal years beginning after June 30, 1969."

SUBCHAPTER IV.—STUDENT ASSISTANCE**§ 1060. Eligibility for student assistance.****(a) Conviction of crimes involving force, disruption, or seizure of property of the educational institution.**

If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after October 16, 1968, and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c) of this section. If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c) of this section.

(b) Refusal to obey regulations or orders; disruption of administration of institution.

If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after October 16, 1968, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c) of this section.

(c) Covered programs.

The programs referred to in subsections (a) and (b) of this section are as follows:

(1) The student loan program under title II of the National Defense Education Act of 1958.

(2) The educational opportunity grant program under part A of title IV of the Higher Education Act of 1965.

(3) The student loan insurance program under part B of title IV of the Higher Education Act of 1965.

(4) The college work-study program under part C of title IV of the Higher Education Act of 1965.

(5) Any fellowship program carried on under title II, III, or V of the Higher Education Act of 1965 or title IV or VI of the National Defense Education Act of 1958.

(d) Other misconduct; disciplinary proceedings; freedom of expression.

(1) Nothing in this Act, or any Act amended by this Act, shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under any such Act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions. (Pub. L. 90-575, title V, § 504, Oct. 16, 1968, 82 Stat. 1062.)

REFERENCES IN TEXT

Title II of the National Defense Education Act of 1958, referred to in subsec. (c) (1), is title II of Pub. L. 85-864, Sept. 2, 1958, 72 Stat. 1583, which is classified to section 421 et seq. of this title.

Part A of title IV of the Higher Education Act of 1965, referred to in subsec. (c) (2), is classified to section 1061 et seq. of this title.

Part B of title IV of the Higher Education Act of 1965, referred to in subsec. (c) (3), is classified to section 1071 et seq. of this title.

Part C of title IV of the Higher Education Act of 1965, referred to in subsec. (c) (4), is classified to section 2751 et seq. of Title 42, Public Health and Welfare.

Titles II, III, or V of the Higher Education Act of 1965, referred to in subsec. (c) (5), are classified to sections 1021 et seq., 1051 et seq., and 1091 et seq. of this title, respectively.

Titles IV and VI of the National Defense Education Act of 1958, referred to in subsec. (c) (5), are classified to sections 461 et seq. and 511 et seq. of this title.

"This Act", referred to in subsec. (d) (1), is the Higher Education Amendments of 1968, Pub. L. 90-575, Oct. 16, 1968, 82 Stat. 1014. For classification of such Act and for Acts amended by such Act, also referred to in subsec. (d) (1), see Short Title note under section 1001 of this title.

CODIFICATION

Section was enacted as part of the Higher Education Amendments of 1968 and not as part of the Higher Education Act of 1965, which enacted this chapter.

DUPLICATION OF BENEFITS

Section 506 of Pub. L. 90-575 provided that: "No grant, award, or loan of assistance to any student under any Act amended by this Act [see Short Title note under section 1001 of this title] shall be considered a duplication of benefits for the purposes of section 1781 of title 38, United States Code."

FINANCIAL AID TO STUDENTS NOT DEEMED INCOME OR RESOURCES FOR PURPOSES OF CERTAIN SOCIAL SECURITY ACT PROGRAMS

Section 507 of Pub. L. 90-575 provided that: "For the purpose of any program assisted under title I, IV, X, XIV, XVI, or XIX of the Social Security Act [subchapters I, IV, X, XIV, XVI, or XIX of chapter 7 of Title 42], no grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education shall be considered to be income or resources."

PART A.—EDUCATIONAL OPPORTUNITY GRANTS

§ 1061. Statement of purpose; authorization of appropriations.

(a) It is the purpose of this part to provide, through institutions of higher education, educational opportunity grants to assist in making available the benefits of higher education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.

(b) There are hereby authorized to be appropriated \$70,000,000 for the fiscal year ending June 30, 1966, and for each of the three succeeding fiscal years, \$125,000,000 for the fiscal year ending June 30, 1970, and \$170,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make payments to institutions of higher education that have agreements with him entered into under section 1067 of this title, for use by such institutions for payments to undergraduate students for the initial academic year of educational opportunity grants awarded to them under this part. There are further authorized to be appropriated such sums as may be necessary for payment to such institutions for use by them for making educational opportunity grants under this part to undergraduate students for academic years other than the initial year of their educational opportunity grants; but no appropriation may be made pursuant to this sentence for any fiscal year beginning more than three years after the last fiscal year for which an appropriation is authorized under the first sentence. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated. For the purposes of this subsection, payment for the first year of an educational opportunity grant shall not be considered as an initial-year payment if the educational opportunity grant was awarded for the continuing education of a student who had been previously awarded an educational opportunity grant under this part (whether by another institution or otherwise) and had received payment for any year of that educational opportunity grant. (Pub. L. 89-329, title IV, § 401, Nov. 8, 1965, 79 Stat. 1232, amended Pub. L. 90-575, title I, § 101(a), (b) (1), Oct. 16, 1968, 82 Stat. 1017; Pub. L. 91-95, § 4, Oct. 22, 1969, 83 Stat. 143.)

AMENDMENTS

1969—Subsec. (b). Pub. L. 91-95 increased appropriation for the fiscal year ending June 30, 1970 from \$100,000,000 to \$125,000,000, and for the fiscal year ending June 30, 1971 from \$140,000,000 to \$170,000,000.

1968—Subsec. (b). Pub. L. 90-575 authorized appropriations of \$70,000,000 for the fiscal year ending June 30,

1969, \$100,000,000 for the fiscal year ending June 30, 1970, and \$140,000,000 for the fiscal year ending June 30, 1971, and struck out the provision that for the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated, to carry out the provisions of the provisions of the first sentence of this subsec., only such sums as the Congress may hereafter authorize by law.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1065, 1066, 1067 of this title.

§ 1062. Determination of amount of grant; establishment of basic criteria or schedules.

From the funds received by it for such purpose under this part, an institution of higher education which awards an educational opportunity grant to a student under this part shall, for the duration of the grant, pay to that student for each academic year during which he is in need of grant aid to pursue a course of study at the institution, an amount determined by the institution for such student with respect to that year, which amount shall not exceed the lesser of \$1,000 or one-half of the sum of the amount of student financial aid (including assistance under this subchapter, and including compensation paid under a work-study program assisted under part C of this subchapter) provided such student by such institution and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulations of the Commissioner. If the amount of the payment determined under the preceding sentence for an academic year is less than \$200 for a student, no payment shall be made under this subchapter to that student for that year. The Commissioner shall, subject to the foregoing limitations, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such educational opportunity grant, taking into account the objective of limiting grant aid under this part to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Commissioner may deem relevant. (Pub. L. 89-329, title IV, § 402, Nov. 8, 1965, 79 Stat. 1232, amended Pub. L. 90-575, title I, § 102, Oct. 16, 1968, 82 Stat. 1017.)

AMENDMENTS

1968—Pub. L. 90-575 substituted provisions that the amount of grant shall not exceed the lesser of \$1,000 or one-half of the sum of the amount of student financial aid provided such student by the institution and any assistance provided under any scholarship program established by a state or a private institution or organization for provisions that the amount of the grant shall not exceed the lesser of \$800 or one-half of the amount of student financial aid provided such student by the institution and any assistance provided under any scholarship program established by a state or a private institution or organization, or the preceding amount plus \$200 for students in the upper half of their classes in the preceding academic year.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1064 of this title.

§ 1063. Duration of grant; eligibility for payments.

The duration of an educational opportunity grant awarded under this part shall be the period required for completion by the recipient of his undergraduate

course of study at the institution of higher education from which he received the educational opportunity grant, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior educational opportunity grant (whether made by the same or another institution). An educational opportunity grant awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of study which he is pursuing, according to the regularly prescribed standards and practices of the institution from which he received the grant, and (2) is devoting essentially full time to that course of study, during the academic year, in attendance at that institution. Failure to be in attendance at the institution during vacation periods or periods of military service, or during other periods during which the Commissioner determines in accordance with regulations that there is good cause for his nonattendance (during which periods he shall receive no payments) shall not be deemed contrary to clause (2). (Pub. L. 89-329, title IV, § 403, Nov. 8, 1965, 79 Stat. 1233.)

§ 1061. Time and manner of making application for grant; selection of recipients; conditions precedent to award.

(a) An individual shall be eligible for the award of an educational opportunity grant under this part at any institution of higher education which has made an agreement with the Commissioner pursuant to section 1067 of this title (which institution is hereinafter in this part referred to as an "eligible institution"), if the individual makes application at the time and in the manner prescribed by that institution.

(b) From among those eligible for educational opportunity grants from an institution of higher education for each fiscal year, the institution shall, in accordance with the provisions of its agreement with the Commissioner under section 1067 of this title and within the amount allocated to the institution for that purpose for that year under section 1066 of this title, select individuals who are to be awarded such grants and determine, pursuant to section 1062 of this title, the amounts to be paid to them. An institution shall not award an educational opportunity grant to an individual unless it determines that—

(1) he has been accepted for enrollment as a full-time student at such institution or, in the case of a student already attending such institution, is in good standing and in full-time attendance there as an undergraduate student;

(2) he shows evidence of academic or creative promise and capability of maintaining good standing in his course of study;

(3) he is of exceptional financial need; and

(4) he would not, but for an educational opportunity grant, be financially able to pursue a course of study at such institution of higher education.

(Pub. L. 89-329, title IV, § 404, Nov. 8, 1965, 79 Stat. 1233.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1067 of this title.

§ 1065. Allotment and reallocation of funds among States.

(a) (1) From the sums appropriated pursuant to the first sentence of section 1061(b) of this title for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States. The number of persons enrolled on a full-time basis in institutions of higher education for purposes of this section shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

(2) If the total of the sums determined by the Commissioner to be required under section 1066 of this title for any fiscal year for eligible institutions in a State is less than the amount of the allotment to that State under paragraph (1) for that year, the Commissioner may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

(b) Sums appropriated pursuant to the second sentence of section 1061(b) of this title for any fiscal year shall be allotted or reallocated among the States in such manner as the Commissioner determines to be necessary to carry out the purposes for which such sums are appropriated. (Pub. L. 89-329, title IV, § 405, Nov. 8, 1965, 79 Stat. 1234, amended Pub. L. 90-575, title I, § 101(b) (2), Oct. 16, 1968, 82 Stat. 1017.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-575 substituted "second sentence" for "third sentence".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1066 of this title.

§ 1066. Allocation of allotted funds to institutions.

(a) Filing dates for application; criteria for making allocations.

The Commissioner shall from time to time set dates by which eligible institutions in any State must file applications for allocation, to such institutions, of educational opportunity grant funds from the allotment to that State (including any reallocation thereto) for any fiscal year pursuant to section 1065(a) of this title, to be used for the purposes specified in the first sentence of section 1061(b) of this title. Such allocations shall be made in accordance with equitable criteria which the Commissioner shall establish and which shall be designed to achieve such distribution of such funds among eligible institutions within a State as will most effectively carry out the purposes of this part.

(b) Additional allocations.

The Commissioner shall further, in accordance with regulations, allocate to eligible institutions, in any State, from funds apportioned or reapportioned pursuant to section 1065(b) of this title, funds to be used for the educational opportunity grants specified in the second sentence of section 1061(b) of this title.

(c) Payments.

Payment shall be made from allocations under this section to institutions as needed. (Pub. L. 89-329, title IV, 406, Nov. 8, 1965, 79 Stat. 1234, amended Pub. L. 90-575, title I, § 101(b)(2), Oct. 16, 1968, 82 Stat. 1017.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-575 substituted "second sentence" for "third sentence".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1064, 1065 of this title.

§ 1067. Agreements with institutions; required provisions; use of funds as additional Federal capital contribution for student loan fund.

(a) An institution of higher education which desires to obtain funds for educational opportunity grants under this part, shall enter into an agreement with the Commissioner. Such agreement shall—

(1) provide that funds received by the institution under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part and of section 1088b of this title (relating to administrative expenses);

(2) provide that in determining whether an individual meets the requirements of section 1064(b) of this title the institution will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

(3) provide that the institution, in cooperation with other institutions of higher education where appropriate, will make vigorous efforts to identify qualified youths of exceptional financial need and to encourage them to continue their education beyond secondary school through programs and activities such as—

(A) establishing or strengthening close working relationships with secondary-school principals and guidance and counseling personnel with a view toward motivating students to complete secondary school and pursue post-secondary-school educational opportunities, and

(B) making, to the extent feasible, conditional commitments for educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

(4) provide that the institution will meet the requirements of section 1088c of this title (relating to maintenance of effort);

(5) include provisions designed to make educational opportunity grants under this part reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

(b) (1) An institution, which has in effect an agreement for Federal capital contributions for a student loan fund pursuant to title II of the National

Defense Education Act of 1958, may use, as an additional Federal capital contribution for the purposes of such loan fund, not to exceed 25 per centum of the funds paid to it for any fiscal year ending prior to July 1, 1970, for the purpose set forth in section 1061(b) of this title. The requirement in section 424(2)(B) of this title shall not apply to such a Federal capital contribution.

(2) For the purpose of making payments from amounts appropriated pursuant to the second sentence of section 1061(b) of this title, any institution electing for any fiscal year to use an amount of its payment as a Federal capital contribution pursuant to paragraph (1) shall be paid an equal amount for each of the succeeding three fiscal years from such amounts appropriated pursuant to such third sentence, if the amount so paid to the institution for each such year is used by such institution as such a Federal capital contribution. (Pub. L. 89-329, title IV, § 407, Nov. 8, 1965, 79 Stat. 1234, amended Pub. L. 90-575, title I, §§ 101(b)(2), 103, 104, Oct. 16, 1968, 82 Stat. 1017, 1018.)

REFERENCES IN TEXT

Title II of the National Defense Education Act of 1958, referred to in subsec. (b)(1) of this section, is classified to sections 421-429 of this title.

AMENDMENTS

1968—Subsec. (a)(1). Pub. L. 90-575, § 103, added reference to section 1088b of this title, relating to administrative expenses.

Subsec. (a)(4). Pub. L. 90-575, § 104, substituted provisions that the agreement shall provide that the institution will meet the requirements of section 1088c of this title, relating to maintenance of effort, for provisions that the agreement shall provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, a specified minimum amount.

Subsec. (b)(2). Pub. L. 90-575, § 101(b)(2), substituted "second sentence" for "third sentence".

EFFECTIVE DATE OF 1968 AMENDMENT

Sections 103 and 104 of Pub. L. 90-575 provided in part that the amendments to this section by sections 103 and 104 of Pub. L. 90-575 shall become effective for fiscal years ending on or after June 30, 1970.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1061, 1064 of this title.

§ 1068. Programs for identifying qualified low-income students and preparing them for post secondary education.

(a) Grants or contracts for planning, developing, or carrying out programs.

To assist in achieving the objectives of this part the Commissioner is authorized (without regard to section 5 of Title 41)—

(1) to make grants to, or contracts with, institutions of higher education and combinations of institutions of higher education for planning, developing, or carrying out one or more of the programs described in subsection (b) of this section,

(2) to make grants to, or contracts with, public and private nonprofit agencies and organizations (including professional and scholarly associations) and to make contracts with public and private agencies and organizations for planning, developing, or carrying out Talent Search programs described in subsection (b)(1) of this section, and

(3) in exceptional cases, to make grants to, or contracts with, secondary schools, and postsecondary educational institutions accredited by a State, for planning, developing, or carrying out Upward Bound programs described in subsection (b) (2) of this section.

No grant or contract for planning, developing, or carrying out a Talent Search program described in subsection (b) (1) of this section may exceed \$100,000 per year.

(h) "Talent Search" program; "Upward Bound" program; "Special Services for Disadvantaged Students" program.

The programs referred to in subsection (a) of this section are—

(1) programs, to be known as "Talent Search", designed to—

(A) identify qualified youths of financial or cultural need with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training.

(B) publicize existing forms of student financial aid, including aid furnished under this subchapter, and

(C) encourage secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs;

(2) programs, to be known as "Upward Bound",

(A) which are designed to generate skills and motivation necessary for success in education beyond high school, and (B) in which enrollees from low-income backgrounds and with inadequate secondary-school preparation participate on a substantially full-time basis during all or part of the program; or

(3) programs, to be known as "Special Services for Disadvantaged Students", of remedial and other special services for students with academic potential (A) who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant or contract, and (B) who, by reason of deprived educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue, or resume their postsecondary education.

(c) Nature of programs.

(1) Upward Bound programs under paragraph (2) of subsection (b) of this section must include arrangements to assure cooperation among one or more institutions of higher education and one or more secondary schools. Such programs must include necessary health services. Enrollees in such programs may not receive stipends in excess of \$30 per month. The cost of carrying out any such program may not exceed \$150 per enrollee per month. Federal financial assistance by way of grant or contract for such a program may not be in excess of 80 per centum of the cost of carrying out such program. Such programs shall be carried on within the States.

(2) Special Services for Disadvantaged Students programs carried on under paragraph (3) of subsection (b) of this section may provide, among other things, for—

(A) counseling, tutorial, or other educational services, including special summer programs, to remedy such students' academic deficiencies,

(B) career guidance, placement, or other student personnel services to encourage or facilitate such students' continuance or reentrance in higher education programs, or

(C) identification, encouragement, and counseling of any such students with a view to their undertaking a program of graduate or professional education.

(d) Authorization of appropriations.

There are authorized to be appropriated to carry out this section \$10,000,000 in the fiscal year ending June 30, 1969 (of which \$500,000 shall be available in connection with planning and related activities for Upward Bound programs described in subsection (b) (2) of this section), \$56,680,000 for the fiscal year ending June 30, 1970, and \$96,000,000 for the fiscal year ending June 30, 1971. (Pub. L. 89-329, title IV, § 408, Nov. 8, 1965, 79 Stat. 1235, amended Pub. L. 90-575, title I, § 105(a), Oct. 16, 1968, 82 Stat. 1018.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 substituted provisions authorizing the making of grants to, or contracts with, institutions of higher learning, combinations of such institutions, public and private nonprofit agencies and organizations, and secondary schools and post secondary educational institutions for planning, developing or carrying out the programs described in subsec. (b) for provisions authorizing the making of contracts, not to exceed \$100,000 per year, with state and local educational agencies and other public or nonprofit organizations for the purposes of conducting identification and encouragement programs and of publicizing forms of student financial aid.

Subsec. (b). Pub. L. 90-575 substituted provisions describing "Talent Search" programs, "Upward Bound" programs, and "Special Services for Disadvantaged Students" programs, for provisions authorizing to be appropriated such sums as may be necessary to carry out this section.

Subsecs. (c), (d). Pub. L. 90-575 added subsecs. (c) and (d).

TRANSFER OF FUNCTIONS; UPWARD BOUND PROGRAM

All functions, powers, and duties of the Director of the Office of Economic Opportunity with respect to the Upward Bound program, effective July 1, 1969, transferred to the Commissioner of Education, see section 105(c) of Pub. L. 90-575, set out as a note under section 2809 of Title 42, The Public Health and Welfare.

§ 1069. Definition of academic year.

As used in this part, the term "academic year" means an academic year or its equivalent as defined in regulations of the Commissioner. (Pub. L. 89-329, title IV, § 409, Nov. 8, 1965, 79 Stat. 1236.)

PART B.—FEDERAL, STATE, AND PRIVATE PROGRAMS OF LOW-INTEREST INSURED LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

§ 1071. Statement of purpose; authorization of appropriations.

(a) The purpose of this part is to enable the Commissioner (1) to encourage States and nonprofit private institutions and organizations to establish adequate loan insurance programs for students in eligible institutions (as defined in section 1085 of

this title), (2) to provide a Federal program of student loan insurance for students or lenders who do not have reasonable access to a State or private nonprofit program of student loan insurance covered by an agreement under section 1078(d) of this title, (3) to pay a portion of the interest on loans to qualified students which are made by a State under a direct loan program meeting the requirements of section 1078(a)(1)(B) of this title, or which are insured under this part or under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 1078(a)(1)(C) of this title, and (4) to guarantee a portion of each loan insured under a program of a State or of a nonprofit private institution or organization which meets the requirements of section 1078(a)(1)(C) of this title.

(b) For the purpose of carrying out this part—

(1) there are authorized to be appropriated to the student loan insurance fund (established by section 1081 of this title) (A) the sum of \$1,000,000, and (B) such further sums, if any, as may become necessary for the adequacy of the student loan insurance fund,

(2) there are authorized to be appropriated, for payments under section 1078 of this title with respect to interest and administrative cost allowances on student loans and for payments under section 1087 of this title, such sums for the fiscal year ending June 30, 1966, and succeeding fiscal years, as may be required therefor,

(3) there is authorized to be appropriated the sum of \$17,500,000 for making advances pursuant to section 1072 of this title for the reserve funds of State and nonprofit private student loan insurance programs, and

(4) there is authorized to be appropriated the sum of \$12,500,000 for making advances after June 30, 1968, pursuant to section 1072 of this title for the reserve funds of State and nonprofit private student loan insurance programs.

Sums appropriated under clauses (1), (2), and (4) of this subsection shall remain available until expended, and sums appropriated under clause (3) of this subsection shall remain available for advances under section 1072 of this title until the close of the fiscal year ending June 30, 1968. (Pub. L. 89-329, title IV, § 421, Nov. 8, 1965, 79 Stat. 1236, amended Pub. L. 90-460, §§ 2(b)(3), 3(a), Aug. 3, 1968, 82 Stat. 635, 636; Pub. L. 90-575, title I, §§ 113(b)(1), 114(a), 119(b), Oct. 16, 1968, 82 Stat. 1021, 1027.)

AMENDMENTS

1968—Subsec. (a)(2). Pub. L. 90-575, § 119(b), added "or lenders" following "loan insurance for students".

Subsec. (a)(4). Pub. L. 90-460, § 3(a), added cl. (4).

Subsec. (b). Pub. L. 90-575, § 114(a)(2), substituted "clauses (1), (2), and (4)" for "clauses (1) and (2)".

Subsec. (b)(2). Pub. L. 90-575, §§ 113(b)(1), 114(a)(1), added "and for payments under section 1087 of this title" following "on student loans", and struck out "and" following "therefor".

Subsec. (b)(2). Pub. L. 90-460, § 2(b)(3), provided for payments with respect to administrative cost allowances on insured loans.

Subsec. (b)(3). Pub. L. 90-575, § 114(a)(1), substituted "programs, and" for "programs."

Subsec. (b)(4). Pub. L. 90-575, § 114(a)(1), added subsec. (b)(4).

EFFECTIVE DATE OF 1968 AMENDMENT

Section 113(c) of Pub. L. 90-575 provided that: "The amendments made by this section [enacting section 1087 of this title, and amending subsec. (b)(2) of this section and sections 1077(a)(2)(E), 1078(b)(2)(B), (C)(1), (3), (4), and 1080(a), (c) of this title] shall apply only with respect to loans made on or after the sixtieth day following the date of enactment of this Act [Oct. 16, 1968]."

INVESTIGATION AND REPORT BY COMMISSIONER OF MEANS TO IMPROVE LOAN INSURANCE PROGRAM

Section 13 of Pub. L. 89-752, Nov. 13, 1966, 80 Stat. 1244, provided that: "The Commissioner of Education shall make an investigation and study to determine means of improving the loan insurance program pursuant to part B of title IV of the Higher Education Act of 1965 [sections 1071-1086 of this title], particularly for the purpose of making loans insured under such program more readily available to students. The Commissioner shall report the results of such investigation and study, together with his recommendations for any legislation necessary to carry out such improvements, to the President and the Congress no later than January 1, 1968."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1072 of this title.

§ 1072. Advances to establish or strengthen reserve funds of State and nonprofit private loan insurance programs.

(a) Authorization; matching of advances; terms and conditions; repayment period.

(1) From the sums appropriated pursuant to clauses (3) and (4) of section 1071(b) of this title, the Commissioner is authorized to make advances to any State with which he has made an agreement pursuant to section 1078(b) of this title for the purpose of helping to establish or strengthen the reserve fund of the student loan insurance program covered by that agreement. If for any fiscal year a State does not have a student loan insurance program covered by an agreement made pursuant to section 1078(b) of this title, and the Commissioner determines after consultation with the chief executive officer of that State that there is no reasonable likelihood that the State will have such a student loan insurance program for such year, the Commissioner may make advances for such year for the same purpose to one or more nonprofit private institutions or organizations with which he has made an agreement pursuant to section 1078(b) of this title on order to enable students in that State to participate in a program of student loan insurance covered by such an agreement. The Commissioner may make advances under this subsection both to a State program (with which he has such an agreement) and to one or more nonprofit private institutions or organizations (with which he has such an agreement) in that State if he determines that such advances are necessary in order that students in each eligible institution have access through such institution to a student loan insurance program which meets the requirements of section 1078(b)(1) of this title.

(2) No advance shall be made after June 30, 1968, unless matched by an equal amount from non-Federal sources. Such equal amount may include the unencumbered non-Federal portion of a reserve fund. As used in the preceding sentence, the term "unencumbered non-Federal portion" means the

amount (determined as of the time immediately preceding the making of the advance) of the reserve fund less the greater of (A) the sum of (i) advances made under this section prior to July 1, 1968, (ii) an amount equal to twice the amount of advances made under this section after June 30, 1968, and before the advance for purposes of which the determination is made, and (iii) the proceeds of earnings on advances made under this section, or (B) any amount which is required to be maintained in such fund pursuant to State law or regulation, or by agreement with lenders, as a reserve against the insurance of outstanding loans.

(3) Advances pursuant to this subsection shall be upon such terms and conditions (including conditions relating to the time or times of payment) consistent with the requirements of section 1078(b) of this title as the Commissioner determines will best carry out the purposes of this section. Advances made by the Commissioner under this subsection shall be repaid within such period as the Commissioner may deem to be appropriate in each case in the light of the maturity and solvency of the reserve fund for which the advance was made.

(b) Amount; determination of State's population.

(1) The total of the advances to any State prior to July 1, 1968 pursuant to subsection (a) of this section may not exceed an amount which bears the same ratio to $2\frac{1}{2}$ per centum of \$700,000,000 as the population of that State aged eighteen to twenty-two, inclusive, bears to the total population of all the States aged eighteen to twenty-two, inclusive. The amount available, however, for advances to any State for each fiscal year ending prior to July 1, 1968, shall not be less than \$25,000, and an additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below \$25,000 per year) the amount available for advances to each of the remaining States. Advances to nonprofit private institutions and organizations prior to July 1, 1968 pursuant to subsection (a) of this section may be in such amounts as the Commissioner determines will best achieve the purposes for which they are made, except that the sum of (1) advances to such institutions and organizations for the benefit of students in any State plus (2) the amounts advanced to such State, may not exceed the maximum amount which may be advanced to that State pursuant to the first two sentences of this subsection.

(2) The total of the advances from the sums appropriated pursuant to clause (4) of section 1071(b) (A) of this title to nonprofit private institutions and organizations for the benefit of students in any State and (B) to such State may not exceed an amount which bears the same ratio to such sums as the population of such State aged eighteen to twenty-two, inclusive, bears to the population of all the States aged eighteen to twenty-two, inclusive, but such advances may otherwise be in such amounts as the Commissioner determines will best achieve the purposes for which they are made. The amount available, however, for advances to any State shall not be less than \$25,000, and any additional funds needed to meet this requirement shall be derived by propor-

tionately reducing (but not below \$25,000) the amount available for advances to each of the remaining States.

(3) For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commission on the basis of the most recent satisfactory data available to him. (Pub. L. 89-329, title IV, § 422, Nov. 8, 1965, 79 Stat. 1236, amended Pub. L. 89-752, § 11, Nov. 3, 1966, 80 Stat. 1243; Pub. L. 90-575, title I, § 114(b), (c), Oct. 16, 1968, 82 Stat. 1021, 1022.)

AMENDMENTS

1968—Subsec. (a) (1). Pub. L. 90-575, § 114(b) (1), added the reference to clause (4) of section 1071(b) of this title, and substituted "fiscal year" for "of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968."

Subsec. (a) (2). Pub. L. 90-575, § 114(b) (2), added subsec. (a) (2). Former subsec. (a) (2) was redesignated as (a) (3).

Subsec. (a) (3). Pub. L. 90-575, § 114(b) (2), redesignated former subsec. (a) (2) as (a) (3).

Subsec. (b). Pub. L. 90-575, § 114(c), redesignated subsec. (b) as subsec. (b) (1), and, as so redesignated, added "prior to July 1, 1968" following "The total of the advances to any State", and "prior to July 1, 1968" following "private institutions and organizations", eliminated the provision that for the purposes of this subsec., the population aged 18 to 22, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him and added subsecs. (b) (2) and (3).

1966—Subsec. (b). Pub. L. 89-752 substituted "The amount available, however, for advances to any State for each fiscal year ending prior to July 1, 1968, shall not be less than \$25,000, and any additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below \$25,000 per year) the amount available for advances to each of the remaining States" for "If the amount so determined for any State, however, is less than \$25,000, it shall be increased to \$25,000 and the total of the increases thereby required shall be derived by proportionately reducing (but not below \$25,000) the amount so determined for each of the remaining States."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1071, 1073, 1083 of this title.

§ 1073. Limitations on participation in Federal loan insurance program.

(a) Except as provided in subsection (b) of this section, the Commissioner shall not issue certificates of insurance under section 1079 of this title to lenders in a State if he determines that every eligible institution has reasonable access in that State to a State or private nonprofit student loan insurance program which is covered by an agreement under section 1078(b) of this title.

(b) The Commissioner may issue certificates of insurance under section 1079 of this title to a lender in a State—

(1) for insurance of a loan made to a student borrower who does not, by reason of his residence, have access to loan insurance under the loan insurance program of such State (or under any private nonprofit loan insurance program which has received an advance under section 1072 of this title for the benefit of students in such State), or

(2) for insurance of all of the loans made to student borrowers by a lender who satisfies the Commissioner that, by reason of the residence of such borrowers, he will not have access to any single State or nonprofit private loan insurance

program which will insure substantially all of the loans he intends to make to such student borrowers.

(Pub. L. 89-329, title IV, § 423, Nov. 8, 1965, 79 Stat. 1237, amended Pub. L. 90-575, title I, § 119(a), Oct. 16, 1968, 82 Stat. 1026.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 designated existing provisions as subsec. (a), and, as so designated, added "Except as provided in subsection (b)," preceding "the Commissioner".

Subsec. (b). Pub. L. 90-575 added subsec. (b).

§ 1074. Total principal amount of new loans under Federal loan insurance program; duration of program; assignment and reassignment of Federal loan insurance quotas.

(a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 1085 of this title) to students covered by Federal loan insurance under this part shall not exceed \$700,000,000 in the fiscal year ending June 30, 1966, \$1,000,000,000 in the fiscal year ending June 30, 1967, and \$1,400,000,000 in the fiscal year ending June 30, 1968, and each of the three succeeding fiscal years. Thereafter, Federal loan insurance pursuant to this part may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this part, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after June 30, 1975.

(b) The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this part, assign, within the maximum amounts specified in subsection (a) of this section, Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas. (Pub. L. 89-329, title IV, § 424, Nov. 8, 1965, 79 Stat. 1237, amended Pub. L. 90-460, § 1(a)(1), Aug. 3, 1968, 82 Stat. 634; Pub. L. 90-575, title I, § 112(a), Oct. 16, 1968, 82 Stat. 1020.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 substituted "fiscal year ending June 30, 1968, and each of the three succeeding fiscal years" for "period thereafter ending October 31, 1968" and "June 30, 1975" for "October 31, 1968".

Subsec. (a). Pub. L. 90-460 extended the period of availability of moneys for new loans for fiscal year ending June 30, 1968, to cover the period commencing with July 1, 1967, and ending Oct. 31, 1968, and prohibited insurance on educational loans after Oct. 31, 1968, originally so prohibited after June 30, 1972, respectively.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1079 of this title.

§ 1075. Federal loan insurance limitations.

(a) Maximum annual insurable loan; maximum aggregate insured unpaid principal amount.

The total of the loans made to a student in any academic year or its equivalent (as determined under regulations of the Commissioner) which may be covered by Federal loan insurance under this part may not exceed \$1,500. The aggregate insured unpaid principal¹ amount of all such insured loans made to

¹ So in original. Probably should read "principal".

any student shall not at any time exceed \$7,500. The annual insurable limit per student shall not be deemed to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

(b) Insurance liability limitations.

The insurance liability on any loan insured by the Commissioner under this part shall be 100 per centum of the unpaid balance of the principal amount of the loan. Such insurance liability shall not include liability for interest whether or not that interest has been added to the principal amount of the loan. (Pub. L. 89-329, title IV, § 425, Nov. 8, 1965, 79 Stat. 1238, amended Pub. L. 90-575, title I, §§ 116(b)(1), 120(a)(2), Oct. 16, 1968, 82 Stat. 1023, 1027.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 redesignated subsec. (a)(1) as (a), and, as so redesignated, provided that the maximum annual insurable loan amount available be the same for graduate and professional students as for other students, and that the aggregate insured unpaid principal amount loaned be the same for graduate and professional students as for other students, and struck out subsec. (a)(2), which prohibited concurrent loans or loan insurance under both this part and the National Vocational Student Loan Insurance Act of 1965.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment of subsec. (a) by Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see sections 116(e) and 120(d) of Pub. L. 90-575, set out as notes under sections 1078 and 1083 of this title.

§ 1076. Insurability of loans made from funds owned by lender or held by lender in trust.

Loans made by eligible lenders in accordance with this part shall be insurable by the Commissioner whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans. (Pub. L. 89-329, title IV, § 426, Nov. 8, 1965, 79 Stat. 1238.)

§ 1077. Conditions for Federal loan insurance.

(a) Student eligibility; terms of loans.

A loan by an eligible lender shall be insurable by the Commissioner under the provisions of this part only if—

(1) made to a student who (A) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution, and (B) is carrying at least one-half of the normal full-time workload as determined by the institution, and (C) has provided the lender with a statement of the institution which sets forth a schedule of the tuition and fees applicable to that student and its estimate of the cost of board and room for such a student; and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, endorsement may be required,

(B) provides for repayment (except as provided in subsection (c) of this section) of the principal amount of the loan in installments over a period of not less than five years (unless sooner repaid) nor more than ten years beginning not earlier than nine months nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it and (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,

(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution, (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in service as a full-time volunteer under the Peace Corps Act, or (iv) not in excess of three years during which the borrower is in service as a volunteer under title VIII of the Economic Opportunity Act of 1964, and any such period shall not be included in determining the ten-year period or the fifteen-year period provided in clause (B) above,

(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b) of this section) on a national, regional, or other appropriate basis, which interest shall be payable in installments over the period of the loan except that, if provided in the note or other written agreement, any interest payable by the student may be deferred until not later than the date upon which repayment of the first installment of principal falls due, in which case interest that has so accrued during that period may be added on that date to the principal (but without thereby increasing the insurance liability under this part),

(E) provides that the lender will not collect or attempt to collect from the borrower any portion of the interest on the note which is payable by the Commissioner under this part, and that the lender will enter into such agreements with the Commissioner as may be necessary for the purpose of section 1087 of this title,

(F) entitle the student borrower to accelerate without penalty repayment of the whole or any part of the loan, and

(G) contains such other terms and conditions, consistent with the provisions of this part and with the regulations issued by the Commissioner pursuant to this part, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Commissioner with respect to such loan.

(b) Maximum rate of interest charged by lender.

No maximum rate of interest prescribed and defined by the Secretary for the purposes of clause (2)(D) of subsection (a) of this section may exceed 7 per centum per annum on the unpaid principal balance of the loan.

(c) Minimum annual repayment.

The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this part, or which are made by a State or the Commissioner under subsection (a)(1)(B) of this section or section 1083 of this title, respectively, shall not be less than \$360 or the balance of all of such loans (together with interest thereon), whichever amount is less. (Pub. L. 89-329, title IV, § 427, Nov. 8, 1965, 79 Stat. 1238, amended Pub. L. 89-794, title XI, § 1101(b)(1), Nov. 8, 1966, 80 Stat. 1476; Pub. L. 90-460, § 2(a)(1), Aug. 3, 1968, 82 Stat. 635; Pub. L. 90-575, title I, §§ 113(b)(2), 116(b)(2), 117(c), 120(c)(2), Oct. 16, 1968, 82 Stat. 1021, 1023, 1026, 1027.)

REFERENCES IN TEXT

The Peace Corps Act, referred to in subsec. (a)(2)(C) of this section, is classified to chapter 34 of Title 22, Foreign Relations and Intercourse.

Title VIII of the Economic Opportunity Act of 1964, referred to in subsec. (a)(2)(C), is classified to subchapter VIII of chapter 34 of Title 42, The Public Health and Welfare.

AMENDMENTS

1968—Subsec. (a)(2)(C). Pub. L. 90-575, §§ 116(b)(2), 117(c), substituted "eligible institution" for "institution of higher education or at a comparable institution outside the States approved for this purpose by the Commissioner", and added "full-time" preceding "volunteer under title VIII".

Subsec. (a)(2)(E). Pub. L. 90-575, § 113(b)(2), added the provision that the lender enter into such agreements with the Commissioner as may be necessary for the purpose of section 1087 of this title.

Subsec. (b). Pub. L. 90-460 substituted "7 per centum per annum on the unpaid principal balance of the loan" for "6 per centum per annum on the unpaid principal balance of the loan, except that under circumstances which threaten to impede the carrying out of the purposes of this part, one or more of such maximum rates of interest may be as high as 7 per centum per annum on the unpaid principal balance of the loan".

Subsec. (c). Pub. L. 90-575, § 120(c)(2), substituted "under this part, or which are made by a State or the Commissioner under section 1078(a)(1)(B) of this title or section 1083 of this title, respectively," for "by the Commissioner under this part".

1966—Subsec. (a)(2)(C). Pub. L. 89-794 added clause (iv) covering service as a volunteer under title VIII of the Economic Opportunity Act of 1964.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment of subsec. (a)(2)(C) by section 116(b)(2) of Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 116(e) of Pub. L. 90-575, set out as a note under section 1083 of this title.

Amendment of subsec. (a) (2) (E) by section 113(b) (2) of Pub. L. 90-575 applicable on or after the 60th day following Oct. 16, 1968, see section 113(c) of Pub. L. 90-575, set out as a note under section 1071 of this title.

Section 115(c) of Pub. L. 90-575 provided that: "The amendments made by section 2(a) of Public Law 90-460 [amending subsec. (b) of this section and section 1078 (b) (1) (E) of this title], approved August 3, 1968, shall not be effective with respect to (1) any loan made or contracted for prior to the date of enactment of such Public Law, or (2) any loan made, after the date of enactment of this Act [Oct. 16, 1968], in whole or in part to consolidate or convert a loan made or contracted for prior to the date of enactment of such Public Law.

Amendment of subsec. (c) by section 120(c) (2) of Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 120(d) of Pub. L. 90-575, set out as a note under section 1078 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment of subsec. (a) (2) (C) by Pub. L. 89-794 inapplicable to any loan outstanding on November 8, 1966, except with the consent of the borrowers, see section 1101(b) (2) of Pub. L. 89-794, set out as a note under section 425 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1078, 1083 of this title.

§ 1078. Federal interest subsidy payments.

(a) Eligibility; amount; time and manner of payment; statements required by Commissioner from loan holders; prohibition against subsidizing loans made under title II of National Defense Education Act of 1958.

(1) Each student who has received a loan for study at eligible institution—

(A) which is insured by the Commissioner under this part;

(B) which was made under a State student loan program (meeting criteria prescribed by the Commissioner), and which was contracted for, and paid to the student, within the period specified by paragraph (4); or

(C) which is insured under a program of a State or of a nonprofit private institution or organization, which was contracted for, and paid to the student, within the period specified in paragraph (4), and which—

(i) in the case of a loan insured prior to July 1, 1967, was made by an eligible lender and is insured under a program which meets the requirements of subparagraph (E) of subsection (b) (1) of this section and provides that repayment of such loan shall be in installments beginning not earlier than sixty days after the student ceases to pursue a course of study (as described in subparagraph (D) of subsection (b) (1) of this section) at an eligible institution, or

(ii) in the case of a loan insured after June 30, 1967, is insured under a program covered by an agreement made pursuant to subsection (b) of this section,

and whose adjusted family income is less than \$15,000 at the time of execution of the note or written agreement evidencing such loan, shall be entitled to have paid on his behalf and for his account to the holder of the loan a portion of the interest on the loan. In addition, the Commissioner shall pay an administrative cost allowance in the amount established by paragraph (2) (B) of this subsection with respect to loans to any such student but without

regard to the student's adjusted family income. For the purposes of this paragraph, the adjusted family income of a student shall be determined pursuant to regulations of the Commissioner in effect at the time of the execution of the note or written agreement evidencing the loan. Such regulations shall provide for taking into account such factors, including family size, as the Commissioner deems appropriate. In the absence of fraud by the lender, such determination of the adjusted family income of a student shall be final insofar as it concerns the obligation of the Commissioner to pay the holder of a loan a portion of the interest on the loan.

(2) (A) The portion of the interest on a loan which a student is entitled to have paid on his behalf and for his account to the holder of the loan pursuant to paragraph (1) shall be equal to the total amount of the interest on the unpaid principal amount of the loan which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (e) of this section or in section 1077(a) (2) (C) of this title; but such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program. The holder of a loan with respect to which payments are required to be made under this section shall be deemed to have a contractual right, as against the United States, to receive from the Commissioner the portion of interest which has been so determined and the administrative cost allowance payable under this subsection. The Commissioner shall pay this portion of the interest and administrative cost allowance to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) of this section was made, or if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

(B) If (i) a State student loan insurance program is covered by an agreement under subsection (b) of this section, (ii) a statute of such State limits the interest rate on loans insured by such program to a rate which is less than 7 per centum per annum on the unpaid principal balance, and (iii) the Commissioner determines that subsection (d) of this section does not make such statutory limitation inapplicable and that such statutory limitation threatens to impede the carrying out of the purposes of this part, then he may pay an administrative cost allowance to the holder of each loan which is insured under such program and which is made during the period beginning on the sixtieth day after October 16, 1968, and ending 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969. Such administrative

cost allowance shall be paid over the term of the loan in an amount per annum (determined by the Commissioner) which shall not exceed 1 per centum of the unpaid principal balance of the loan.

(3) Each holder of a loan with respect to which payments of interest or of administrative cost allowances are required to be made by the Commissioner shall submit to the Commissioner, at such time or times and in such manner as he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan.

(4) The period referred to in subparagraphs (B) and (C) of paragraph (1) of this subsection shall begin on November 8, 1965 and end at the close of June 30, 1971, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1975.

(5) No payment may be made under this section with respect to the interest on a loan made from a student loan fund established under title II of the National Defense Education Act of 1958.

(6) Repealed. Pub. L. 90-575, title I, § 111(b) (3), Oct. 16, 1968, 82 Stat. 1024.

(b) Agreements with State and nonprofit private institutions for subsidy payments on loans insured under student loan insurance program of such State or institution; standards for student loan insurance program; required provisions of agreement.

(1) Any State or any nonprofit private institution or organization may enter into an agreement with the Commissioner for the purpose of entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a) of this section if the Commissioner determines that the student loan insurance program—

(A) authorizes the insurance of not less than \$1,000 nor more than \$1,500 in loans to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner, which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500;

(B) authorizes the insurance of loans to any individual student for at least six academic years of study or their equivalent (as determined under regulations of the Commissioner);

(C) provides that (i) the student borrower shall be entitled to accelerate without penalty the whole or any part of an insured loan, (ii) except as provided in subsection (e) of this section, the period of any insured loan may not exceed fifteen years from the date of execution of the note or other written evidence of the loan, and (iii) the

note or other written evidence of any loan may contain such provisions relating to repayment in the event of default by the borrower as may be authorized by regulations of the Commissioner in effect at the time such note or written evidence was executed;

(D) subject to subparagraphs (C) and (K) of this paragraph and except as provided by subsection (e) of this section, provides that repayment of loans shall be in installments over a period of not less than five years nor more than ten years beginning not earlier than nine months nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution;

(E) authorizes interest on the unpaid balance of the loan at a yearly rate not in excess of 7 per centum per annum on the unpaid principal balance of the loan (exclusive of any premium for insurance which may be passed on to the borrower);

(F) insures not less than 80 per centum of the unpaid principal of loans insured under the program;

(G) does not provide for collection of an excessive insurance premium;

(H) provides that the benefits of the loan insurance program will not be denied any student because of his family income or lack of need if his adjusted family income at the time the note or written agreement is executed is less than \$15,000 (as determined pursuant to the regulations of the Commissioner prescribed under subsection (a) (1) of this section);

(I) provides that a student may obtain insurance under the program for a loan for any year of study at an eligible institution;

(J) in the case of a State program, provides that such State program is administered by a single State agency, or by one or more nonprofit private institutions or organizations under the supervision of a single State agency; and

(K) provides that the total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are (i) insured under this part, or (ii) made by a State or the Commissioner under subsection (a) (1) (B) of this section or section 1083 of this title, respectively, shall not be less than \$360 or the balance of all such loans (together with interest thereon), whichever amount is less.

(2) Such an agreement shall—

(A) provide that the holder of any such loan will be required to submit to the Commissioner, at such time or times and in such manner as

he may prescribe, statements containing such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to determine the amount of the payment which he must make with respect to that loan;

(B) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part, including such provisions as may be necessary for the purpose of section 1087 of this title, and as are agreed to by the Commissioner and the State or nonprofit private organization or institution, as the case may be; and

(C) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his function under this part and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(c) Federal guaranty of student loans insured under non-Federal programs; provisions of guaranty agreement; reports; recordkeeping; definitions.

(1) The Commissioner may enter into a guaranty agreement with any State or any nonprofit private institution or organization with which he has an agreement pursuant to subsection (b) of this section, whereby the Commissioner shall undertake to reimburse it, under such terms and conditions as he may establish, in an amount equal to 80 per centum of the amount expended by it in discharge of its insurance obligation, incurred under its loan insurance program, with respect to losses (resulting from the default of the student borrower) on the unpaid balance of the principal (other than interest added to principal) of any insured loan with respect to which a portion of the interest (A) is payable by the Commissioner under subsection (a) of this section, or (B) would be payable under such subsection but for the adjusted family income of the borrower.

(2) The guaranty agreement—

(A) shall set forth such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss thereunder, to insure proper and efficient administration of the loan insurance program, and to assure that due diligence will be exercised in the collection of loans insured under the program;

(B) shall provide for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this subsection, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(C) shall set forth adequate assurance that, with respect to so much of any loan insured under the loan insurance program as may be guaranteed by the Commissioner pursuant to this subsection, the undertaking of the Commissioner under the guaranty agreement is acceptable in full satisfaction of State law or regulation requiring the maintenance of a reserve;

(D) shall provide that if after the Commissioner has made payment under the guaranty agreement pursuant to paragraph (1) of this subsection with respect to any loan, any payments are made in discharge of the obligation incurred by the borrower with respect to such loan (including any payments of interest accruing on such loan after such payment by the Commissioner), there shall be paid over to the Commissioner (for deposit in the fund established by section 1081 of this title) such proportion of the amounts of such payments as is determined (in accordance with regulations prescribed by the Commissioner) to represent his equitable share thereof, but shall not otherwise provide for subrogation of the United States to the rights of any insurance beneficiary; *Provided*, That, except as the Commissioner may otherwise by or pursuant to regulation provide, amounts so paid by a borrower on such a loan shall be first applied in reduction of principal owing on such loan; and

(E) may include such other provisions as may be necessary to promote the purposes of this part.

(3) To the extent provided in regulations of the Commissioner, a guaranty agreement under this subsection may contain provisions which permit such forbearance for the benefit of the student borrower as may be agreed upon by the parties to an insured loan and approved by the insurer.

(4) For purposes of this subsection, the terms "insurance beneficiary" and "default" shall have the meanings assigned to them by section 1080(e) of this title.

(5) In the case of any guaranty agreement entered into prior to September 1, 1969, with a State or nonprofit private institution or organization with which the Commissioner has in effect on that date an agreement pursuant to subsection (b) of this section, or section 988(b) of this title, prior to August 3, 1968, the Commissioner may, in accordance with the terms of this subsection, undertake to guarantee loans described in paragraph (1) which are insured by such State, institution, or organization and are outstanding on the date of execution of the guaranty agreement, but only with respect to defaults occurring after the execution of such guaranty agreement or, if later, after its effective date.

(d) Applicability of other provisions limiting the rate or amount of interest payable on loans.

No provision of any law of the United States (other than sections 1077(a) (2) (D) and 1077(b) of this title) or of any State (other than a statute applicable principally to such State's student loan insurance program) which limits the rate or amount of interest payable on loans shall apply to a loan—

(1) which bears interest (exclusive of any premium for insurance) on the unpaid principal balance at a rate not in excess of 7 per centum per annum, and

(2) which is insured (A) by the United States under this part, or (B) by a State or nonprofit private institution or organization under a program covered by an agreement made pursuant to subsection (b) of this section.

- (c) Deferment of repayment of non-Federally insured loans during attendance at eligible institution, or military or volunteer service; Federal payment of interest accruing during such attendance or service.

The Commissioner shall encourage the inclusion, in any State student loan program or any State or nonprofit private student loan insurance program meeting the requirements of subsection (a)(1)(B) or (a)(1)(C) of this section, of provisions authorizing or requiring that in the case of student loans covered by such program periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (1) during which the borrower is pursuing a full-time course of study at an eligible institution, (2) not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (3) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, or (4) not in excess of three years during which the borrower is in service as a full-time volunteer under title VIII of the Economic Opportunity Act of 1964. In the case of any such State or nonprofit private program containing such a provision any such period shall be excluded in determining the period specified in subsection (b)(1)(C)(ii) of this section, or the maximum period for repayment specified in subsection (b)(1)(D) of this section. (Pub. L. 89-329, title IV, § 428, Nov. 8, 1965, 79 Stat. 1240, amended Pub. L. 90-460, §§ 1(a)(2), 2(a)(2), (b)(1), (2), 3(b), Aug. 3, 1968, 82 Stat. 634, 635; Pub. L. 90-575, title I, §§ 111(a), (b)(1), 112(b), 113(b)(3), (4), 115(a)(1)—(3), (b), 116(b)(3), 117(a), (b), 120(a)(1), (b), (c)(1), Oct. 16, 1968, 82 Stat. 1020—1027.)

REFERENCES IN TEXT

Title II of the National Defense Education Act of 1958, referred to in subsec. (a)(5) of this section, is classified to sections 421—429 of this title.

AMENDMENTS

1968—Subsec. (a)(1). Pub. L. 90-575, § 111(b)(1)(A), struck out “, over the period of the loan,” following “for his account to the holder of the loan”.

Subsec. (a)(1). Pub. L. 90-460, § 2(b)(2)(A), directed the Commissioner to pay an administrative cost allowance in the amount established by subsec. (a)(2)(B) with respect to loans to any student but without regard to the student's adjusted family income.

Subsec. (a)(2)(A). Pub. L. 90-575, §§ 111(b)(1)(B), 115(a)(2), 117(b), substituted “, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (e) of this section or in section 1077(a)(2)(C) of this title” for “, and 3 per centum per annum of the unpaid principal amount of the loan (excluding interest which has been added to principal) thereafter”, struck out “For purposes of the preceding sentence, the term ‘interest’ includes any administrative cost allowance paid pursuant to subparagraph (B).”, and added “and administrative cost allowance” following “portion of the interest”.

Subsec. (a)(2)(B). Pub. L. 90-575, § 115(a)(1), (b), extended from Oct. 31, 1968, to the 50th day after Oct. 16, 1968, the period during which the administrative cost allowance, as authorized by Pub. L. 90-460, could be paid on loans, and, for the period on or after the 60th day following Oct. 16, 1968, amended generally the provisions determinative of the applicability of the administrative cost allowance, and provided for the termination of such provisions 120 days after the adjournment of the applicable state's first regular legislative session which adjourns after Jan. 1, 1969.

Subsec. (a)(2). Pub. L. 90-460, § 2(b)(1), (2)(B), (C), designated existing provisions as subpar. (A) and added subpar. (B), defined in subpar. (A) “interest” to include administrative cost allowance paid pursuant to subpar. (B), and provided the loanholder with a contractual right to receive from the Commissioner the administrative cost allowance payable under this section, respectively.

Subsec. (a)(3). Pub. L. 90-460, § 2(b)(2)(D), provided for payments of administrative cost allowances with respect to insured loans.

Subsec. (a)(4). Pub. L. 90-575, § 111(a), substituted “June 30, 1971” for “Oct. 31, 1968”, and added the exception that, in the case of a loan made or insured under the specified circumstances, such period shall end at the close of June 30, 1975.

Subsec. (a)(4). Pub. L. 90-460, § 1(a)(2), extended period of eligibility from June 30, 1968, to October 31, 1968, but eliminated provision making June 30, 1972, the termination date for a loan made or insured under a student loan or loan insurance program, to enable a student who has obtained a prior loan made or insured under such program to continue his educational program.

Subsec. (a)(6). Pub. L. 90-575, § 116(b)(3), struck out subsec. (a)(6), which provided that in no event shall interests payments with respect to the same student loan be made under both this section and under section 988 of this title.

Subsec. (b)(1)(A). Pub. L. 90-575, § 120(a)(1), added the provisions which deemed the limit not to be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit, and provisions that the aggregate insured unpaid principal amount of all such loans made to any student shall not at any time exceed \$7,500.

Subsec. (b)(1)(C). Pub. L. 90-575, § 117(a)(2)(A), added “except as provided in subsection (e) of this section,” following “(ii)”.

Subsec. (b)(1)(D). Pub. L. 90-575, §§ 117(a)(2)(B), 120(b), added reference to subpar. (k) of this par. and except as provided in subsec. (e) of this section, and struck out provision dealing with applicability to instances where the total of the insured loans to any student which are held by any one person exceeds \$2,000.

Subsec. (b)(1)(E). Pub. L. 90-460, § 2(a)(2), increased interest rate limitation from 6 to 7 per centum per annum.

Subsec. (b)(1)(I). Pub. L. 90-575, § 120(c)(1)(A), struck out “and” following “eligible institution”.

Subsec. (b)(1)(J). Pub. L. 90-575, § 120(c)(1)(B), substituted “agency; and” for “agency”.

Subsec. (b)(1)(K). Pub. L. 90-575, § 120(c)(1)(C), added subsec. (b)(1)(K).

Subsec. (b)(2)(B). Pub. L. 90-575, § 113(b)(3), added “, including such provisions as may be necessary for the purpose of section 1087 of this title,” following “of this part”.

Subsec. (c)(1). Pub. L. 90-575, § 113(b)(4), struck out “, death, or permanent and total disability” following “the default”.

Subsec. (c)(3). Pub. L. 90-575, § 113(b)(4), struck out the provision that nothing in this subsec. shall require collection of the amount of any loan by the insurance beneficiary or its insurer from the estate of a deceased borrower or from a borrower found by the beneficiary or its insurer to have become permanently and totally disabled.

Subsec. (c)(4). Pub. L. 90-575, § 113(b)(4), struck out the provision that permanent and total disability shall be determined in accordance with regulations of the Commissioner.

Subsec. (c)(5). Pub. L. 90-575, § 112(b), substituted “September 1, 1969” for “October 31, 1968”.

Subsec. (c). Pub. L. 90-460, § 3(b), added subsec. (c).

Subsec. (d). Pub. L. 90-575, § 115(a)(3), added subsec. (d).

Subsec. (e). Pub. L. 90-575, § 117(a)(1), added subsec. (e).

EFFECTIVE DATE OF 1968 AMENDMENTS

Section 111(b)(2) of Pub. L. 90-575 provided that: “The amendments made by this subsection [amending subsecs. (a)(1) and (a)(2)(A) of this section] shall apply to loans made on or after the sixtieth day after the date

or enactment of this Act [Oct. 16, 1968], except that such amendments shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to such sixtieth day. An application for a certificate of insurance or of comprehensive insurance coverage pursuant to section 429 of such Act [section 1079 of this title] shall be issued or shall be effective on or after such sixtieth day with respect to loans made prior to such sixtieth day without regard to such amendments."

Section 115(a)(4) of Pub. L. 90-575 provided that: "The amendments made by this subsection [amending subsecs. (a)(2)(A), (a)(2)(B), and (d) of this section] shall not apply with respect to loans made prior to the sixtieth day after the date of enactment of this Act [Oct. 16, 1968]."

Amendment of subsec. (a)(6) by section 116(b)(3) of Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 116(c) of Pub. L. 90-575, set out as a note under section 1083 of this title.

Section 117(d) of Pub. L. 90-575 provided that: "Deferral of repayment of principal, as provided in the amendments made by subsection (a) of this section [amending subsecs. (b)(1)(C), (b)(1)(D) and (C) of this section] may be authorized (but not required) with respect to loans meeting the requirements of subparagraph (B) or (C) of section 428(a)(1) of the Higher Education Act of 1965 [subsecs. (a)(1)(B) or (a)(1)(C) of this section] which are outstanding on the sixtieth day after the date of enactment of this Act [Oct. 16, 1968], but only with respect to periods of attendance or service occurring on or after such sixtieth day. The amendments made by subsection (b) [amending subsec. (a)(2)(A) of this section] shall become effective on the sixtieth day after the date of enactment of this Act."

Section 120(d) of Pub. L. 90-575 provided that:

"(1) Subject to paragraph (2) of this subsection, (A) the amendments made by this section [amending subsecs. (b)(1)(A), (b)(1)(O), (b)(1)(I)—(K) of this section and sections 1075(a) and 1077(c) of this title] shall apply to loans made on or after the sixtieth day after the date of enactment of this Act [Oct. 16, 1968], and (B) in computing the maximum amounts which may be borrowed by a student who obtains an insured loan on or after such sixtieth day, and the minimum amounts of repayments allowable with respect to sums borrowed by such a student, there shall be included all loans, whenever made, (i) insured by the Commissioner, or a State, institution, or organization with which the Commissioner has an agreement under section 428(b) of part B of title IV of the Higher Education Act of 1965 [subsec. (b) of this section] or section 9(b) of the National Vocational Student Loan Insurance Act of 1965 [former section 988(b) of this title], or (ii) made by a State under section 428(a)(2)(B) of such part [subsec. (a)(2)(B) of this section], or section 9(a)(2)(B) of such Act [former section 988(a)(2)(B) of this title], or by the Commissioner under section 433 of such part [section 1083 of this title].

"(2) This section (and the amendments made thereby) shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to such sixtieth day or, except with the consent of the State or nonprofit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965. The Commissioner of Education shall undertake to obtain necessary modifications of agreements entered into by him pursuant to section 428(b)(1) of the Higher Education Act of 1965 [subsec. (b)(1) of this section] and in force upon the date of enactment of this Act so as to conform the provisions of such agreements to the requirements of such section 428(b)(1) as amended by this section. If, however, such modifications cannot be obtained because a party to such an agreement is subject to a statute of a State that prevents such party from complying with the terms of such modification, the Commissioner shall not, before 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969, exercise his authority to terminate, or to refuse to extend, such agreement."

Amendment of subsec. (b)(1)(E) by section 2(a) of Pub. L. 90-460 not to be effective with respect to (1) any

loan made or contracted for prior to Aug. 3, 1968, or (2) any loan made, after Oct. 16, 1968, in whole or in part to consolidate or convert a loan made or contracted for prior to Aug. 3, 1968, see section 115(c) of Pub. L. 90-575, set out as a note under section 1078 of this title.

Amendment of subsecs. (b)(2)(B), and (c)(1), (3), and (4) by section 113(b)(3) and (4) of Pub. L. 90-575 applicable on or after the 60th day following Oct. 16, 1968, see section 113(c) of Pub. L. 90-575, set out as a note under section 1071 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1071, 1072, 1073, 1080, 1081, 1082, 1083, 1084, 1087 of this title.

§ 1078a. Special allowances for insured student loans.

(a) Eligibility; amount; time and manner of payment; promulgation of regulations; effective date; study and report to Congress of discriminatory practices; increased financial assistance opportunities; definitions.

(1) Whenever the Secretary of Health, Education, and Welfare determines that the limitations on interest or other conditions (or both) applicable under this part to student loans eligible for insurance by the Commissioner of Education or under a State or nonprofit private insurance program covered by an agreement under section 1078(b) of this title, considered in the light of the then current economic conditions and in particular the relevant money market, are impeding or threatening to impede the carrying out of the purposes of this part, and have caused the return to holders of such loans to be less than equitable, he is hereby authorized, by regulation applicable to a three-month period specified therein, to prescribe (after consultation with the Secretary of the Treasury and the heads of other appropriate agencies) a special allowance to be paid by the Commissioner of Education to each holder of an eligible loan or loans. The amount of such allowance to any holder with respect to such period shall be a percentage, specified in such regulation, of the average unpaid balance of disbursed principal (not including interest added to principal) of all eligible loans held by such holder during such period, which balance shall be computed in a manner specified in such regulation; but no such percentage shall be set at a rate in excess of 3 per centum per annum.

(2) A determination pursuant to paragraph (1) may be made by the Secretary of Health, Education, and Welfare, on a national, regional or other appropriate basis, and the regulation based thereon may, accordingly, set differing allowance rates for different regions or other areas or classifications of lenders, within the limit of the maximum rate set forth in paragraph (1).

(3) For each three-month period with respect to which the Secretary of Health, Education, and Welfare prescribes a special allowance, the determination required by paragraph (1) shall be made, and the percentage rate applicable thereto shall be set, by promulgation of a new regulation or by amendment to a regulation applicable to a prior period or periods.

(4) The special allowance established for any such three-month period shall be payable at such time, after the close of such period, as may be specified by or pursuant to regulations promulgated under this section. The holder of a loan with respect to which any such allowance is to be paid shall be deemed to

have a contractual right, as against the United States, to receive such allowance from the Commissioner.

(5) Each regulation or amendment, prescribed under this section, which establishes a special allowance with respect to a three-month period specified in the regulation or amendment shall, notwithstanding section 505 of the Higher Education Amendments of 1968, apply to the three-month period immediately preceding the period in which such regulation or amendment is published in the Federal Register, except that the first such regulation may be made effective as of August 1, 1969, and notwithstanding other provisions of this section requiring a three-month period, may be made effective for a period of less than three months.

(6) (A) The Secretary of Health, Education, and Welfare shall determine with respect to the student insured loan program as authorized under this part, whether there are any practices of lending institutions which may result in discrimination against particular classes or categories of students, including the requirement that as a condition to the receipt of a loan the student or his family maintain a business relationship with the lender, the consequences of such requirement, and the practice of refusing to make loans to students for their freshman year of study, and also including any discrimination on the basis of sex, color, creed, or national origin. The Secretary shall make a report with respect to such determination, and his recommendations, to the Congress on or before March 1, 1970.

(B) If, after making such determination, the Secretary finds that, in any area, a substantial number of eligible students are denied a fair opportunity to obtain an insured student loan because of practices of lending institutions in the area which limit student participation, (i) he shall take such steps as may be appropriate, after consultation with the appropriate State guarantee agencies and the Advisory Council on Financial Aid to Students, relating to such practices and to encourage the development in such area of a plan to increase the availability of financial assistance opportunities for such students, and (ii) he shall, within sixty days after making such determination, adopt or amend appropriate regulations pertaining to the student insured loan program to prevent, where practicable, any practices which he finds have denied loans to a substantial number of students.

(7) As used in this section, the term "eligible loan" means a loan made on or after August 1, 1969, and prior to July 1, 1971, which is insured under this part, or made under a program covered by an agreement under section 1078(b) of this title.

(b) Prerequisites to payment of special allowances.

The Commissioner of Education shall pay to the holder of an eligible loan, at such time or times as are specified in regulations, a special allowance prescribed pursuant to subsection (a) of this section, subject to the condition that such holder shall submit to the Commissioner, at such time or times and in such manner as he may deem proper, such information as may be required by regulation for the purpose of enabling the Secretary of Health, Education,

and Welfare and the Commissioner to carry out their functions under this section and to carry out the purposes of this section.

(c) Authorization of appropriations.

(1) There are hereby authorized to be appropriated for special allowances as authorized by this section not to exceed \$20,000,000 for the fiscal year ending June 30, 1970, \$40,000,000 for the fiscal year ending June 30, 1971, and for succeeding fiscal years such sums as may be necessary.

(2) Sums available for expenditure pursuant to appropriations made for the fiscal year ending June 30, 1969, under section 1071(b) of this title (other than clause (1) thereof) shall be available for payment of special allowances under this section. The authorization in paragraph (1) shall be reduced by the amount made available pursuant to this paragraph. (Pub. L. 91-95, § 2, Oct. 22, 1969, 83 Stat. 141.)

REFERENCES IN TEXT

Section 505 of the Higher Education Amendments of 1968, referred to in subsec. (a) (5), is section 505 of Pub. L. 90-575, and is set out as a note under section 1001 of this title.

CODIFICATION

Section was enacted as part of the Emergency Insured Student Loan Act of 1969 and not as part of the Higher Education Act of 1965, which comprises this chapter.

References in the original to "this Act" were changed to "this section" for purposes of codification. For distribution in the Code of Pub. L. 91-95, see Short Title note set out hereunder.

SHORT TITLE

Section 1 of Pub. L. 91-95 provided: "That this Act [which enacted this section, and amended sections 421 and 1061 of this title and section 2751 of Title 42] may be cited as the 'Emergency Insured Student Loan Act of 1969'."

§ 1079. Certificates of Federal loan insurance.

(a) Issuance; contents of certificate; effective date of insurance; contents of application.

(1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this part, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) of this section shall become effective upon the date of issuance of the certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) of this section by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon sixty days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c) of this section.

(3) An application submitted pursuant to subsection (a)(1) of this section shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (c) of this section, and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Commissioner may prescribe by or pursuant to regulation.

(b) Certificate of comprehensive insurance coverage.

(1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a) of this section; the Commissioner may, in accordance with regulations consistent with section 1074 of this title, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Commissioner, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Commissioner's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this part, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Commissioner and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Commissioner from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Commissioner in the absence of fraud or misrepresentation of fact or patent error.

(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 1074 of this title, the Commissioner may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) of this section or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

(c) Premium charges.

The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this part a premium in an amount not to exceed one-fourth

of 1 per centum per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 1080(a) of this title.

(d) Assignment of lender's rights.

The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Commissioner.

(e) Consolidation of loans.

The consolidation of the obligations of two or more federally-insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a) of this section, the Commissioner may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation; if they are covered by a single comprehensive certificate issued under subsection (b) of this section, the Commissioner may amend that certificate accordingly. (Pub. L. 89-329, title IV, § 429, Nov. 8, 1965, 79 Stat. 1243.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1073, 1080 of this title.

§ 1080. Default of student borrower under Federal loan insurance program.

(a) Notification of Commissioner; payment of amount of loss.

Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this part, and prior to the commencement of suit or other enforcement proceeding upon security for that loan, the insurance beneficiary shall promptly notify the Commissioner, and the Commissioner shall if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined. The "amount of the loss" on any loan shall, for the purposes of this subsection and subsection (b) of this section, be deemed to be an amount equal to the unpaid balance of the principal amount of the loan (other than interest added to principal).

- (b) Subrogation of United States to rights of obligation holder; payment of excess recovery to insured.

Upon payment by the Commissioner of the amount of the loss pursuant to subsection (a) of this section, the United States shall be subrogated to all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Commissioner on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

- (c) Forbearance for benefit of student borrower or by Commissioner in enforcement of insured obligation not precluded.

Nothing in this section or in this part shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on that insurance.

- (d) Disqualification of lender for further Federal loan insurance upon failure to exercise reasonable care and diligence in making and collecting loans.

Nothing in this section or in this part shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making and collection of loans under the provisions of this part. If the Commissioner, after reasonable notice and opportunity for hearing to an eligible lender, finds that it has substantially failed to exercise such care and diligence or to make the reports and statements required under section 1078 (a) (3) and 1079(a) (3) of this title, or to pay the required Federal loan insurance premiums, he shall disqualify that lender for further Federal insurance on loans granted pursuant to this part until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

- (e) Definitions.

As used in this section—

(1) the term "insurance beneficiary" means the insured or its authorized assignee in accordance with section 1079(d) of this title; and

(2) the term "default" includes only such defaults as have existed for (A) one hundred and twenty days in the case of a loan which is repayable in monthly installments, or (B) one hundred and eighty days in the case of a loan which is repayable in less frequent installments.

(Pub. L. 89-329, title IV, § 430, Nov. 8, 1965, 79 Stat. 1244, amended Pub. L. 90-575, title I, § 113(b) (5), Oct. 16, 1968, 82 Stat. 1021.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575, § 113(b) (5) (A), (B), eliminated the provisions authorizing the payment by the Commissioner of the amount of loss on any loan by the insurance beneficiary upon the death of the student borrower or upon a finding by the insurance beneficiary that the borrower has become totally and permanently disabled before the loan has been repaid in full.

Subsec. (c). Pub. L. 90-575, § 113(b) (5) (C), eliminated the provisions that nothing in this section or in this part

shall be construed to require collection of the amount of any loan by the insurance beneficiary or by the Commissioner from the estate of a deceased borrower or from a borrower found by the insurance beneficiary to have become permanently and totally disabled.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-575 applicable on or after the 60th day following Oct. 16, 1968, see section 113(c) of Pub. L. 90-575, set out as a note under section 1071 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1078, 1079 of this title.

§ 1081. Student loan insurance fund; establishment; composition; payments; investment of excess moneys; issuance of notes or obligations.

(a) There is hereby established a student loan insurance fund (hereinafter in this section called the "fund") which shall be available without fiscal year limitation to the Commissioner for making payments in connection with the default of loans insured by him under this part, or in connection with payments under a guaranty agreement under section 1078(c) of this title. All amounts received by the Commissioner as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Commissioner in connection with his operations under this part, and any other moneys, property, or assets derived by the Commissioner from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Commissioner under this part, or in connection with such guaranty agreements shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Commissioner under this part, or in connection with any guaranty agreement made under section 1078(c) of this title, the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as as public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations

acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from such fund. (Pub. L. 89-329, title IV, § 431, Nov. 8, 1965, 79 Stat. 1245, amended Pub. L. 90-460, § 3(c), Aug. 3, 1968, 82 Stat. 638.)

REFERENCES IN TEXT

The Second Liberty Bond Act, as amended, referred to in subsec. (b) of this section, is classified to sections 745, 752—754b, 757, 757b—767e, 758, 760, 764—766, 769, 771, 773, 774 and 801 of Title 31, Money and Finance.

That Act, referred to in subsec. (b) of this section, means the Second Liberty Bond Act.

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-460, § 3(c) (A), (B), inserted in first sentence ", or in connection with payments under a guaranty agreement under section 1078(c) of this title" after "insured by him under this part" and in third sentence ", or in connection with such guaranty agreements" after "insured by the Commissioner under this part", respectively.

Subsec. (b). Pub. L. 90-460, § 3(c) (C), inserted in first sentence ", or in connection with any guaranty agreement made under section 1078(c) of this title" after "insured by the Commissioner under this part".

TRANSFER OF ASSETS AND LIABILITIES OF THE VOCATIONAL STUDENT LOAN INSURANCE FUND

All assets and liabilities of the vocational student loan insurance fund transferred to the student loan insurance fund, see section 116(c) (2) of Pub. L. 90-575, set out as a note under former section 981 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1071, 1078 of this title.

§ 1082. Powers and duties of Commissioner.

(a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Commissioner may—

(1) prescribe such regulations as may be necessary to carry out the purposes of this part;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in that office, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this part from the application of sections 507(b) and 2679 of Title 28 and of section 316 of Title 5;

(3) include in any any contract for Federal loan insurance such terms, conditions, and covenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Commissioner determines to be necessary

to assure that the purposes of this part will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this part may be modified by the Commissioner if he determines that modification is necessary to protect the financial interest of the United States;

(4) subject to the specific limitations in this part, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this part;

(5) enforce, pay, or compromise, any claim on, or arising because of, any such insurance or any guaranty agreement under section 1078(c) of this title; and

(6) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 850 of Title 31, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 1078 of this title, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

(Pub. L. 89-329, title IV, § 432, Nov. 8, 1965, 79 Stat. 1246, amended Pub. L. 90-460, § 3(d), Aug. 3, 1968, 82 Stat. 638.)

REFERENCES IN TEXT

The Government Corporation Control Act, referred to in subsec. (b) (1) of this section, is classified to chapter 14 of Title 31, Money and Finance.

CODIFICATION

The provisions of section 316 of title 5, referred to in this section, have been incorporated in title 28 section 517.

AMENDMENTS

1968—Subsec. (a) (5). Pub. L. 90-460 authorized the Commissioner to enforce, pay, or compromise, any claim on, or arising because of any guaranty agreement under section 1078(c) of this title.

§ 1083. Direct loans to students.

(a) Unavailability of other insurable loans.

The Commissioner may make a direct loan to any student who would be eligible for an insured loan for study at a vocational school under this part if (1) in the particular area in which the student resides loans which are insurable under this chapter are not available at the rate of interest prescribed

by the Secretary pursuant to section 1077(a)(2)(D) of this title for such area, or (2) the particular student has been unable to obtain an insured loan at a rate of interest which does not exceed such rate prescribed by the Secretary.

(b) Interest rate; terms and conditions.

Loans made under this section shall bear interest at the rate prescribed by the Secretary under section 1077(a)(2)(D) of this title for the area where the student resides, and shall be made on such other terms and conditions as the Commissioner shall prescribe, which shall conform as nearly as practicable to the terms and conditions of loans insured under this chapter.

(c) Authorization of appropriations.

There is authorized to be appropriated the sum of \$1,000,000 for the fiscal year ending June 30, 1969 and for each of the two succeeding fiscal years to carry out this section. (Pub. L. 89-329, title IV, § 433, Nov. 8, 1965, 79 Stat. 1247, amended Pub. L. 90-575, title I, § 116(d), Oct. 16, 1968, 82 Stat. 1024.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 substituted provisions authorizing the Commissioner to make a direct loan to any student residing in an area where loans insurable under this chapter are unavailable or the rate of interest for any loans available exceeds the rate prescribed by the Secretary for provisions establishing an Advisory Council on Insured Loans to Students in the Office of Education.

Subsec. (b). Pub. L. 90-575 substituted provisions requiring that loans made under this section bear interest at the rate specified by the Secretary, and be made on such terms and conditions as prescribed by the Commissioner, for provisions setting forth the functions of the Advisory Council on Insured Loans to Students.

Subsec. (c). Pub. L. 90-575 substituted provisions authorizing appropriations to carry out the purposes of this section for provisions setting forth the compensation for members of the Advisory Council on Insured Loans to Students.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 116(e) of Pub. L. 90-575 provided that:

"(1) Except as provided in paragraphs (2), (3), and (4):

"(A) This section (and any amendment or repeal made thereby) [amending this section and sections 1075(a), 1077(a)(2)(C), 1078(a)(6), 1084, 1085, and 1086(a) of this title, repealing sections 981-996 of this title and enacting material set out as a note under 981 of this title] shall apply to loans made on or after the sixtieth day after the date of enactment of this Act [Oct. 16, 1968]; and the terminal date applicable under the first sentence of section 5(a), under section 9(a)(2)(B), and under section 9(a)(4) of the National Vocational Student Loan Insurance Act [former section 984(a), 988(a)(2)(B), and 988(a)(4) of this title] shall, instead of October 31, 1968, be deemed to be (1) the day immediately preceding such sixtieth day, or (11) with respect to any particular lender or State or nonprofit private agency to which paragraph (3) relates, the last day of the period required for modification or termination of, or refusal to extend, the Commissioner's agreements with such agency.

"(B) In computing the maximum amounts which may be borrowed by a student who obtains an insured loan on or after such sixtieth day, and the minimum amounts of repayment allowable with respect to sums borrowed by such a student, there shall be included all loans, whenever made, (1) insured by the Commissioner, or a State, institution, or organization with which the Commissioner has an agreement under section 428(b) of part B of title IV of the Higher Education Act of 1965 [section 1078(b) of this title] or section 9(b) of the National Vocational Student Loan Insurance Act of 1965 [former section 988(b) of this title], or

by the Secretary pursuant to section 1077(a)(2)(D) of this title for such area, or (2) the particular student has been unable to obtain an insured loan at a rate of interest which does not exceed such rate prescribed by the Secretary.

"(2) Clause (1) (attendance at eligible institution) and clause (iv) (VISTA service) of section 427(a)(2)(C) of the Higher Education Act of 1965 [section 1077(a)(2)(C) of this title], shall apply to loans made by the Commissioner and, with the consent of the lender, loans insured by the Commissioner, to students for study at vocational schools, which are outstanding on the sixtieth day after the enactment of this Act, but only with respect to periods of service or attendance occurring on or after such sixtieth day.

"(3) This section (and any amendment or repeal made thereby) shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to the sixtieth day after enactment of this Act, under the Higher Education Act of 1965 [see Short Title note set out under section 1001 of this title] or the National Vocational Student Loan Insurance Act of 1965, [former sections 981-996 of this title], or, except with the consent of the State or nonprofit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965 [section 1078(b) of this title] or section 9(b) of the National Vocational Student Loan Insurance Act of 1965 [former section 988(b) of this title]. The Commissioner of Education shall undertake to obtain necessary modifications of agreements entered into by him pursuant to section 428(b) of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965 and in force upon the date of enactment of this Act so as to conform the provisions of such agreements to the requirements of such section 428(b). If, however, such modifications cannot be obtained because a party to such an agreement is subject to a statute of a State that prevents such party from complying with the terms of such modification, the Commissioner shall not, before 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969, exercise his authority to terminate, or to refuse to extend, such agreement.

"(4) A certificate of insurance or of comprehensive insurance coverage pursuant to section 11 of the National Vocational Student Loan Insurance Act of 1965 [former section 990 of this title] may be issued or made effective on or after the sixtieth day after the date of enactment of this Act with respect to loans made prior to such sixtieth day without regard to any amendment or repeal made by this section."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1077, 1078 of this title.

§ 1084. Authority of Federal credit unions to make insured loans to student members.

Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans up to 15 per centum of their assets, to student members in accordance with the provisions of this part relating to federally insured loans, or in accordance with the provisions of any State or nonprofit private student loan insurance program which meets the requirement of section 1078(a)(1)(C) of this title. (Pub. L. 89-329, title IV, § 434, Nov. 8, 1965, 79 Stat. 1247, amended Pub. L. 90-575, title I, § 116(b)(4), Oct. 16, 1968, 82 Stat. 1024.)

AMENDMENTS

1968—Pub. L. 90-575 increased from 10 to 15 per centum of their assets the maximum amount loanable by Federal credit unions.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 116(e) of Pub. L. 90-575, set out as a note under section 1083 of this title.

§ 1085. Definitions.

As used in this part:

(a) The term "eligible institution" means (1) an institution of higher education, (2) a vocational school, or (3) with respect to students who are nationals of the United States, an institution outside the States which is comparable to an institution of higher education or to a vocational school and which has been approved by the Commissioner for purposes of this part.

(b) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). If the Commissioner determines that a particular category of such schools does not meet the requirements of clause (5) because there is no nationally recognized accrediting agency or association qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association, appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (i) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (ii) determine whether particular schools not meeting the requirements of clause (5) meet those standards. For purposes of this subsection, the Commissioner shall publish a list

of nationally recognized accrediting agencies, or associations which he determines to be reliable authority as to the quality of training offered.

(c) The term "vocational school" means a business or trade school, or technical institution or other technical or vocational school, in any State, which (1) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution; (2) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; (3) has been in existence for two years or has been specially accredited by the Commissioner as an institution meeting the other requirements of this subsection; and (4) is accredited (A) by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this clause, (B) if the Commissioner determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Commissioner pursuant to this clause, and (C) if the Commissioner determines there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools in order for loans to students attending them to be insurable under this part and shall also determine whether particular schools meet those standards. For the purpose of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations and State agencies which he determines to be reliable authority as to the quality of education or training afforded.

(d) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(e) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(f) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

(g) The term "eligible lender" means an eligible institution, an agency or instrumentality of a State, or a financial or credit institution (including an insurance company) which is subject to examina-

tion and supervision by an agency of the United States or of any State, or a pension fund approved by the Commissioner for this purpose.

(h) The term "line of credit" means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years. (Pub. L. 89-329, title IV, § 435, Nov. 8, 1965, 79 Stat. 1247, amended Pub. L. 89-698, title II, § 204, Oct. 29, 1966, 80 Stat. 1072; Pub. L. 90-575, title I, §§ 116(a), 118(a), Oct. 16, 1968, 82 Stat. 1023, 1026.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575, § 116(a) (1), (2), added subsec. (a). Former subsec. (a) was redesignated as (b).

Subsec. (b). Pub. L. 90-575, § 116(a) (1), (3), redesignated former subsec. (a) as (b), and, as so redesignated, substituted as the term being defined "institution of higher education" for "eligible institution", and struck out "any institution outside the States which is comparable to an institution described in the preceding sentence and which has been approved by the Commissioner for the purposes of this subchapter, and also includes" following "Such term includes". Former subsec. (b) was redesignated as (d).

Subsec. (c). Pub. L. 90-575, § 116(a) (1), (4), redesignated former subsec. (a) of section 996 of this title as (c), and as so redesignated, substituted as the term being defined "vocational school" for "eligible institution", and substituted "part" for "chapter". Former subsec. (c) was redesignated as (e).

Subsec. (d). Pub. L. 90-575, § 116(a) (1), redesignated former subsec. (b) as (d). Former subsec. (d) was redesignated as (f).

Subsec. (e). Pub. L. 90-575, § 116(a) (1), redesignated former subsec. (c) as (e). Former subsec. (e) was redesignated as (g).

Subsec. (f). Pub. L. 90-575, § 116(a) (1), redesignated former subsec. (d) as (f). Former subsec. (f) was redesignated as (h).

Subsec. (g). Pub. L. 90-575, §§ 116(a) (1), 118(a), redesignated former subsec. (e) as (g), and, as so redesignated, added reference to a pension fund approved by the Commissioner.

Subsec. (h). Pub. L. 90-575, § 116(a) (1), redesignated former subsec. (f) as (h).

1966—Subsec. (a). Pub. L. 89-698 expanded the definition of "eligible institution" to include comparable out-of-state institutions that have been approved by the Commissioner.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 116(e) of Pub. L. 90-575, set out as a note under section 1083 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1071, 1074 of this title and in title 42 section 2753.

§ 1086. District of Columbia student loan insurance program.

(a) Powers of Board of Commissioners of District of Columbia.

The Board of Commissioners of the District of Columbia is authorized (1) to establish a student loan insurance program which meets the requirements of this part for a State loan insurance program in order to enter into agreements with the Commissioner for the purposes of this part, (2) to enter into such agreements with the Commissioner, (3) to use amounts appropriated to such Board for the pur-

poses of this section to establish a fund for such purposes and for expenses in connection therewith, and (4) to accept and use donations for the purposes of this section.

(b) Defense of minority removed.

Notwithstanding the provisions of any applicable law, if the borrower, on any loan insured under the program established pursuant to this section, is a minor, any otherwise valid note or other written agreement executed by him for the purposes of such loan shall create a binding obligation.

(c) Appropriation of funds.

There are authorized to be appropriated to such Board such amounts as may be necessary for the purposes of this section. (Pub. L. 89-329, title IV, § 436, as added Pub. L. 89-752, § 12, Nov. 3, 1966, 80 Stat. 1244, and amended Pub. L. 90-575, title I, § 116(b) (5), Oct. 16, 1968, 82 Stat. 1024.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 substituted "this part" for "this title and the National Vocational Student Loan Insurance Act of 1965".

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-575 applicable on or after the 60th day after Oct. 16, 1968, see section 116(e) of Pub. L. 90-575, set out as a note under section 1083 of this title.

§ 1087. Repayment by Commissioner of loans of deceased or disabled borrowers.

If a student borrower who has received a loan with respect to which a portion of the interest (1) is payable by the Commissioner under section 1078(a) of this title, or (2) would be payable but for the adjusted family income of the borrower, dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Commissioner), then the Commissioner shall discharge the borrower's liability on the loan by repaying the amount owed on the loan. (Pub. L. 89-329, title IV, § 437, as added Pub. L. 90-575, title I, § 113(a), Oct. 16, 1968, 82 Stat. 1020.)

EFFECTIVE DATE

Section to apply only with respect to loans made on or after the 60th day following Oct. 16, 1968, see section 113(c) of Pub. L. 90-575, set out as a note under section 1071 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1071, 1077, 1078 of this title.

PART C.—COOPERATIVE EDUCATION PROGRAMS

CODIFICATION

This Part was, in the original, Part D of title IV of Pub. L. 89-329. The letter designation was changed from "D" to "C" for codification purposes. Part C of title IV of the Higher Education Act of 1965, consisting of sections 441-446 of Pub. L. 89-329, as added by Pub. L. 90-575, Title I, § 131 (a), (b) (1), Oct. 16, 1968, 82 Stat. 1028, is set out as sections 2751-2756 of Title 42, The Public Health and Welfare, since such sections 441-446 of Pub. L. 89-329 had originally been enacted as part C of Title I of the Economic Opportunity Act of 1964, consisting of sections 121-126 of Pub. L. 88-452, Aug. 20, 1964, 78 Stat. 513, prior to the transfer of such sections into the Higher Education Act of 1965, and had already been classified to sections 2751-2756 of Title 42, The Public Health and Welfare, at the time of the transfer.

§ 1087a. Authorization of appropriations.

(a) There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, \$8,000,000 for the fiscal year ending June 30, 1970, and \$10,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants pursuant to section 1087b of this title to institutions of higher education for the planning, establishment, expansion, or carrying out by such institutions of programs of cooperative education that alternate periods of full-time academic study with periods of full-time public or private employment that will not only afford students the opportunity to earn through employment funds required toward continuing and completing their education but will, so far as practicable, give them work experience related to their academic or occupational objective. Such amount for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this subchapter.

(b) There are further authorized to be appropriated \$750,000 for the fiscal year ending June 30, 1969, and for each of the two succeeding fiscal years, to enable the Commissioner to make training or research grants or contracts pursuant to section 1087c of this title.

(c) Appropriations under this part shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part. (Pub. L. 89-329, title IV, § 451, as added Pub. L. 90-575, title I, § 141, Oct. 16, 1968, 82 Stat. 1031.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1087b, 1087c of this title.

§ 1087b. Grants for programs of cooperative education.

(a) Authorization to make grants.

From the sums appropriated pursuant to subsection (a) of section 1087a of this title, and for the purposes set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of \$75,000 to any one such institution for any fiscal year.

(b) Applications for grants.

Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall—

(1) set forth programs or activities for which a grant is authorized under this section;

(2) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;

(3) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

(5) include such other information as the Commissioner may determine necessary to carry out the purposes of this part.

(c) Three-year limitation on grants.

No institution of higher education may receive grants under this section for more than three fiscal years.

(d) Criteria development.

In the development of criteria for approval of applications under this section, the Commissioner shall consult with the Advisory Council on Financial Aid to Students. (Pub. L. 89-329, title IV, § 452, as added Pub. L. 90-575, title I, § 141, Oct. 16, 1968, 82 Stat. 1031.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1087a of this title.

§ 1087c. Grants and contracts for training and research.

From the sums appropriated pursuant to subsection (b) of section 1087a of this title, the Commissioner is authorized, for the training of persons in the planning, establishments, administration, or coordination of programs of cooperative education, or for research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education, to—

(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

(2) make grants to other public or private non-profit agencies or organizations, or contracts with public or private agencies or organizations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

(Pub. L. 89-329, title IV, § 453, as added Pub. L. 90-575, title I, § 141, Oct. 16, 1968, 82 Stat. 1032.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1087a of this title.

PART D.—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

CODIFICATION

This Part was, in the original, Part E of title IV of Pub. L. 89-329. The letter designation was changed from "E" to "D" for codification purposes. See Codification Note preceding section 1087a of this title.

Subpart 1.—General Provisions

§ 1088. Definitions.

(a) For purposes of this subchapter and part C of subchapter I of chapter 34 of Title 42, the term "State" includes the Trust Territory of the Pacific Islands.

(b) For purposes of part C of subchapter I of chapter 34 of Title 42 and subchapter II of chapter 17 of this title, the term "proprietary institution of higher education" means a school (1) which provides not less than a six-month program of train-

ing to prepare students for gainful employment in a recognized occupation, (2) which meets the requirements of section 1141(a) (1) and 1141(a) (2) of this title, (3) which does not meet the requirement of section 1141(a) (4) of this title, (4) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (5) which has been in existence for at least two years. For purposes of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered. (Pub. L. 89-329, title IV, § 461, as added Pub. L. 90-575, title I, § 151, Oct. 16, 1968, 82 Stat. 1032.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 423, 424 of this title and in title 42 section 2753.

§ 1088a. Eligibility of residents of Trust Territory of Pacific Islands.

Permanent residents of the Trust Territory of the Pacific Islands shall be eligible for assistance under subchapter II of chapter 17 of this title and under this subchapter and part C of subchapter I of chapter 34 of Title 42 to the same extent that citizens of the United States are eligible for such assistance. (Pub. L. 89-329, title IV, § 462, as added Pub. L. 90-575, title I, § 151, Oct. 16, 1968, 82 Stat. 1032.)

§ 1088b. Expenses of administration.

(a) An institution which has entered into an agreement with the Commissioner under part A of this subchapter or part C of subchapter I of chapter 34 of Title 42 shall be entitled for each fiscal year for which it receives an allotment under either such part to a payment in lieu of reimbursement for its expenses during such fiscal year in administering programs assisted under such part. The payment for a fiscal year (1) shall be payable from each such allotment in accordance with regulations of the Commissioner, and (2) shall (except as provided in subsection (b)) be an amount equal to 3 per centum of (A) the institution's expenditures during the fiscal year from its allotment under part A of this subchapter plus (B) its expenditures during such fiscal year under part C of subchapter I of chapter 34 of Title 42 for compensation of students.

(b) The aggregate amount paid to an institution for a fiscal year under this section plus the amount withdrawn from its student loan fund under section 424(b) of this title may not exceed \$125,000. (Pub. L. 89-329, title IV, § 463, as added Pub. L. 90-575, title I, § 152, Oct. 16, 1968, 82 Stat. 1033.)

EFFECTIVE DATE

Section 152 of Pub. L. 90-575 provided in part that this section is effective for fiscal years ending on or after June 30, 1970.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1067 of this title and in title 42 section 2754.

§ 1088c. Maintenance of effort.

An agreement between the Commissioner and an institution under part A of this subchapter or part C of subchapter I of chapter 34 of Title 42 shall provide assurance that the institution will continue to

spend in its own scholarship and student-aid program, from sources other than funds received under such parts, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceeding the effective date of the agreement. (Pub. L. 89-329, title IV, § 464, as added Pub. L. 90-575, title I, § 152, Oct. 16, 1968, 82 Stat. 1033.)

EFFECTIVE DATE

Section 152 of Pub. L. 90-575 provided in part that this section is effective for fiscal years ending on or after June 30, 1970.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1067 of this title and in title 42 section 2754.

Subpart 2.—Advisory Council on Financial Aid to Students

§ 1089. Establishment of Council.

(a) Membership.

There is established in the Office of Education an Advisory Council on Financial Aid to Students (hereafter in this section referred to as the "Council"), consisting of the Commissioner, who shall be Chairman, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall include (1) leading authorities in the field of education, (2) persons representing State and private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education and other eligible institutions as those terms may be variously defined in this Act or in the National Defense Education Act of 1958, and (3) at least one undergraduate student in an institution of higher education or other eligible institution.

(b) Functions of Council.

The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to financial assistance to students and on evaluation of the effectiveness of these programs.

(c) Compensation; travel expenses.

Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS-18 in section 5332 of Title 5, including traveltime, and while so serving on the business of the Council away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of Title 5, for persons employed intermittently in the Government Service.

(d) Technical assistance.

The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions. (Pub. L. 89-329, title IV, § 469, as added Pub. L. 90-575, title I, § 151, Oct. 16, 1968, 82 Stat. 1032.)

REFERENCES IN TEXT

This Act, referred to in subsec. (a), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, which is classified principally to this chapter and sections 2751—2756 of Title 42, The Public Health and Welfare.

The National Defense Education Act of 1958, referred to in text, is Pub. L. 85-864, Sept. 2, 1958, 72 Stat. 1581, which is classified principally to chapter 17 of this title.

SUBCHAPTER V.—EDUCATION PROFESSIONS DEVELOPMENT

PART A.—GENERAL PROVISIONS

§ 1091. Statement of purpose.

The purpose of this subchapter is to improve the quality of teaching and to help meet critical shortages of adequately trained educational personnel by (1) developing information on the actual needs for educational personnel, both present and long range, (2) providing a broad range of high quality training and retraining opportunities, responsive to changing manpower needs; (3) attracting a greater number of qualified persons into the teaching profession; (4) attracting persons who can stimulate creativity in the arts and other skills to undertake short-term or long-term assignments in education; and (5) helping to make educational personnel training programs more responsive to the needs of the schools and colleges. (Pub. L. 89-329, title V, § 501, Nov. 8, 1965, 79 Stat. 1254, amended Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 82.)

AMENDMENTS

1967—Pub. L. 90-35 substituted provisions declaratory of Congressional purpose for former provisions for establishment of an Advisory Council on Quality Teacher Preparation in the Office of Education, its functions and composition, the compensation and travel expenses of the members and for appointment of an Executive Secretary and other employees.

EFFECTIVE DATE OF 1967 AMENDMENT

Section 9 of Pub. L. 90-35 provided that:

"(a) The amendments to title V of the Higher Education Act of 1965 made by the foregoing sections of this Act [enacting sections 1091b-1091e, 1108-1110c, 1119, 1119a, and 1119b to 1119b-2 and amending sections 1111, 1112, 1113(2), 1114(b), 1115(b), and 1118 of this title] shall be effective with respect to fiscal years beginning after June 30, 1968, except that the following amendments made by this Act shall take effect on the date of enactment of this Act [June 29, 1967]:

"(1) The redesignation of section numbers made by section 2 of this Act [to section 1092 of this title].

"(2) The repeal (by section 2(c) of this Act) of section 501 of title V of the Higher Education Act of 1965 [former section 1091 of this title] (which provides for an Advisory Council on Quality Teacher Preparation) and the enactment, in lieu thereof, of section 501 [this section] (Statement of Purpose) and section 502 [section 1091a of this title] (National Advisory Council on Education Professions Development) of such title; and the conforming amendment to section 523(1) of such title V [section 1113(1) of this title] made by section 5(d) (1) of this Act.

"(3) The enactment (by section 2(c) of this Act) of section 507 of title V of the Higher Education Act of 1965 [section 1091f of this title] (relating to experts and consultants), and the concomitant repeal (by section 5(e) of this Act) of subsection (c) of section 524 of such title V [former section 1114(c) of this title].

"(4) The amendments made by section 3 [enacting section 1105(d) and 1107a and amending sections 1101, 1102, 1103(a)—(c), 1104 (a), (b), (d), and 1107 of this title], 7 [to section 1092 of this title], and 8 [enacting Short Title note under this section] of this Act.

"(b) Nothing in this section shall be construed to preclude advance planning and dissemination of information by the Commissioner of Education with respect to amendments the effective date of which is deferred by this section."

STATEMENT OF PURPOSE

Section 1 of Pub. L. 90-35 provided: "That it is the purpose of this Act to coordinate, broaden, and strengthen programs for the training and improvement of the qualifications of teachers and other educational personnel for all levels of the American educational system so as to provide a better foundation for meeting the critical needs of the Nation for personnel in these areas."

"This Act", referred to above, enacted sections 1091a—1091f, 1107a, 1108—1110c, 1119 and 1119a, and 1119b to 1119b-2 of this title, amended sections 1091, 1092, 1101—1105, 1107, 1111—1115, and 1118 of this title, and enacted notes under section 1091 and 1104 of this title.

SHORT TITLE

Pub. L. 89-329, title V, § 509, as added by section 8 of Pub. L. 90-35 provided that: "This title [this subchapter] may be cited as the 'Education Professions Development Act'."

§ 1091a. National Advisory Council on Education Professions Development.

(a) Appointment; functions.

The President shall, within ninety days after June 29, 1967, appoint a National Advisory Council on Education Professions Development (hereafter in this section referred to as the "Council"), for the purpose of reviewing the operation of this subchapter and of all other Federal programs for the training and development of educational personnel, and evaluating their effectiveness in meeting needs for additional educational personnel, and in achieving improved quality in training programs as evidenced in the competency of the persons receiving such training when entering positions in the field of education. The Council shall, in addition, advise the Secretary and the Commissioner with respect to policy matters arising in the administration of this subchapter and any other matters, relating to the purposes of this subchapter, on which their advice may be requested.

(b) Composition; Chairman.

The Council shall be appointed by the President, without regard to the civil service and classification laws, and shall consist of fifteen persons. The members, one of whom shall be designated by the President as Chairman, shall include persons broadly representative of the fields of education, the arts, the sciences, and the humanities, and of the general public, and a majority of them shall be engaged in teaching or in the education of teachers.

(c) Report to President and Congress.

The Council shall make an annual report of its findings and recommendations (including recommendations for changes in this subchapter and other Federal laws relating to educational personnel training) to the President and the Congress not later than January 31 of each calendar year beginning after June 29, 1967. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report.

(d) Compensation; travel expenses.

Members of the Council who are not in the regular full-time employ of the United States shall, while

serving on the business of the Council, be entitled to receive compensation at rates fixed by the President, but not exceeding \$100 per day (or, if higher, the rate specified at the time of such service for grade GS-18 in section 5332 of Title 5), including travel-time, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of Title 5 for persons in the Government service employed intermittently.

(c) Appointment and compensation of employees; employment of experts and consultants.

The Council may appoint and fix the compensation of such employees as it deems necessary. The Council is authorized to obtain the services of experts and consultants in accordance with section 3109 of Title 5.

(f) Authorization of appropriations.

There is authorized to be appropriated to carry out this section the sum of \$100,000 for the fiscal year ending June 30, 1968, and the sum of \$200,000 for each of the two succeeding fiscal years. (Pub. L. 89-329, title V, § 502, as added Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 82.)

EFFECTIVE DATE

Section effective June 29, 1967, see section 9(a)(2) of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1091b. Appraising education personnel needs.

(a) Scope of appraisal consultation with and utilization of information of public and private agencies.

The Commissioner shall from time to time appraise the Nation's existing and future personnel needs in the field of education, including preschool programs, elementary and secondary education, vocational and technical education, adult education, and higher education, and the adequacy of the Nation's efforts to meet these needs. In developing information relating to educational personnel needs, the Commissioner shall consult with, and make maximum utilization of statistical and other related information of, the Department of Labor, the National Science Foundation, the National Foundation on the Arts and the Humanities, State educational agencies, State employment security agencies, and other appropriate public and private agencies.

(b) Annual report.

The Commissioner shall prepare and publish annually a report on the education professions, in which he shall present in detail his views on the state of the education professions and the trends which he discerns with respect to the future complexion of programs of education throughout the Nation and the needs for well-educated personnel to staff such programs. The report shall indicate the Commissioner's plans concerning the allocation of Federal assistance under this subchapter in relation to the plans and programs of other Federal agencies. (Pub. L. 89-329, title V, § 503, as added Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 83.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

1091c. Attracting qualified persons to the field of education.

(a) Grants; contracts.

The Commissioner is authorized to make grants to, or contracts with, State or local educational agencies, institutions of higher education, or other public or nonprofit agencies, organizations, or institutions, and he is authorized to enter into contracts with private agencies, institutions, or organizations when he, after consultation with the National Advisory Council on Education Professions Development, considers such contract will make an especially significant contribution to attaining the objectives of this section, for the purpose of—

(1) identifying capable youth in secondary schools who may be interested in careers in education and encouraging them to pursue postsecondary education in preparation for such careers;

(2) publicizing available opportunities for careers in the field of education;

(3) encouraging qualified persons to enter or reenter the field of education; or

(4) encouraging artists, craftsmen, artisans, scientists, and persons from other professions and vocations, and homemakers to undertaking teaching or related assignments on a part-time basis or for temporary periods.

(b) Authorization of appropriations.

There is authorized to be appropriated to carry out this section the sum of \$2,500,000 for the fiscal year ending June 30, 1969, and the sum of \$5,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971. (Pub. L. 89-329, title V, § 504, as added Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 83, and amended Pub. L. 90-575, title II, § 231(a), Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-575 substituted "each of the succeeding fiscal years ending prior to July 1, 1971" for "the fiscal year ending June 30, 1970".

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1091d. Consultation.

In the development and review of grant and contract programs under this subchapter the Commissioner shall consult with the National Science Foundation and the National Foundation on the Arts and the Humanities to promote coordinated planning of programs to train educational personnel. (Pub. L. 89-329, title V, § 505, as added Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 84.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1091e. Transfer of funds.

In addition to the authority for utilization of other agencies conferred by section 1143(b) of this title, funds available to the Commissioner for grants or

contracts under this subchapter shall, with the approval of the Secretary, be available for transfer to any other Federal agency for use (in accordance with an interagency agreement) by such agency (alone or in combination with funds of that agency) for purposes for which such transferred funds could be otherwise expended by the Commissioner under the provisions of this subchapter, and the Commissioner is likewise authorized to accept and expend funds of any other Federal agency for use under this subchapter. (Pub. L. 89-329, title V, § 506, as added Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 84.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1091f. Experts and consultants; employment, compensation, and travel expenses.

The Commissioner may employ experts and consultants, as authorized by section 3109 of Title 5, to advise him with respect to the making of grants and contracts and the approving of programs under this subchapter. Experts and consultants employed pursuant to this section may be compensated while so employed at rates not in excess of \$100 per day (or, if higher, the rate specified at the time of such service for grade GS-18 in section 5332 of Title 5, including traveltime, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of Title 5, for persons in the Government service employed intermittently. (Pub. L. 89-329, title V, § 507, as added Pub. L. 90-35, § 2(c), June 29, 1967, 81 Stat. 84.)

EFFECTIVE DATE

Section effective June 29, 1967, see section 9(a)(3) of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1092. Prohibition against making payments for religious purposes.

Nothing contained in this subchapter shall be construed to authorize the making of any payment under this subchapter for religious worship or instruction or training for a religious vocation or to teach theological subjects. (Pub. L. 89-329, title V, § 508, formerly § 502, Nov. 8, 1965, 79 Stat. 1255, renumbered and amended Pub. L. 90-35, §§ 2(b), 7, June 29, 1967, 81 Stat. 82, 93.)

AMENDMENTS

1967—Pub. L. 90-35, § 7, prohibited payments for training for religious vocations or to teach theological subjects.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

PART B.—ATTRACTING AND QUALIFYING TEACHERS

Subpart 1.—Teacher Corps

§ 1101. Statement of purpose; authorization of appropriations.

(a) The purpose of this subpart is to strengthen the educational opportunities available to children in areas having concentrations of low-income families

and to encourage colleges and universities to broaden their programs of teacher preparation by—

(1) attracting and training qualified teachers who will be made available to local educational agencies for teaching in such areas; and

(2) attracting and training inexperienced teacher-interns who will be made available for teaching and inservice training to local educational agencies in such areas in teams led by an experienced teacher.

(b) For the purpose of carrying out this subpart, there are authorized to be appropriated \$36,100,000 for the fiscal year ending June 30, 1966, \$64,715,000 for the fiscal year ending June 30, 1967, \$33,000,000 for the fiscal year ending June 30, 1968, \$46,000,000 for the fiscal year ending June 30, 1969, and \$56,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971, respectively; and there are further authorized to be appropriated such sums for the fiscal year ending June 30, 1972, as may be necessary to enable any teacher-intern who has not completed his program of practical and academic training to continue such program for a period of not more than one additional year. (Pub. L. 89-329, title V, § 511, Nov. 8, 1965, 79 Stat. 1255, amended Pub. L. 90-35, § 3(a)(3), (b), June 29, 1967, 81 Stat. 85; Pub. L. 90-575, title II, § 231(a), (b)(1), Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-575 substituted "each of the succeeding fiscal years ending prior to July 1, 1971" for "the fiscal year ending June 30, 1970", and "June 30, 1972" for "June 30, 1971".

1967—Subsec. (a). Pub. L. 90-35, § 3(a)(3), substituted "subpart" for "part".

Subsec. (b). Pub. L. 90-35, § 3(a)(3), (b), substituted "subpart" for "part" and authorized appropriations of 33, 46, and 56 million dollars for fiscal years ending June 30, 1968, 1969, and 1970, respectively, and for fiscal year ending June 30, 1971, sums necessary to enable any teacher-intern who has not completed his training program to continue the program for not more than one additional year, respectively.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1102. Establishment; compensation and duties of Director and Deputy Director.

In order to carry out the purposes of this subpart, there is hereby established in the Office of Education a Teacher Corps. The Teacher Corps shall be headed by a Director who shall be compensated at the rate prescribed for grade 17 of the General Schedule of the Classification Act of 1949, and a Deputy Director who shall be compensated at the rate prescribed for grade 16 of such General Schedule. The Director and the Deputy Director shall perform such duties as are delegated to them by the Commissioner. (Pub. L. 89-329, title V, § 512, Nov. 8, 1965, 79 Stat. 1255, amended Pub. L. 90-35, § 3(a)(3), (4), June 29, 1967, 81 Stat. 85.)

REFERENCES IN TEXT

The Classification Act of 1949, referred to in the text, is now covered by section 5101 et seq. of Title 5, Government Organization and Employees. For compensation schedule for the General Schedule of such Act, see section 5332 of Title 5.

AMENDMENTS

1967—Pub. L. 90-35 substituted "subpart" and "Teacher Corps" for "part" and "National Teacher Corps (hereinafter referred to as the 'Teacher Corps')", respectively.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1103. Teacher Corps program.

- (a) Recruitment, enrollment, and training of members; assignment of teaching teams to local educational agencies; payments to such agencies for compensation of members assigned to them; technical assistance; disadvantaged area teaching opportunities and needs; voluntary services and transfers of property.

For the purpose of carrying out this subpart, the Commissioner is authorized to—

(1) enter into contracts or other arrangements with institutions of higher education or local educational agencies under which they will recruit, select, and enroll in the Teacher Corps for periods of up to two years, experienced teachers, persons who have a bachelor's degree or its equivalent, and persons who have successfully completed two years of a program for which credit is given toward a baccalaureate degree;

(2) enter into arrangements, through grants or contracts, with institutions of higher education or local educational agencies (upon approval in either case by the appropriate State educational agency) or with State educational agencies to provide members of the Teachers Corps with such training as the Commissioner may deem appropriate to carry out the purpose of this subpart, including not more than three months of training for members before they undertake their teaching duties under this subpart;

(3) enter into arrangements (including the payment of the cost of such arrangements) with local educational agencies upon approval by the appropriate State educational agency and, after consultation in appropriate cases with institutions of higher education, to furnish to local educational agencies, for service during regular or summer sessions, or both, in the schools of such agencies in areas having concentrations of children from low-income families, teaching teams, each of which shall consist of an experienced teacher and a number of teacher-interns who, in addition to teaching duties, shall be afforded time by the local educational agency for a teacher-intern training program carried out under the guidance of an experienced teacher in cooperation with an institution of higher education;

(4) pay to local educational agencies such part of the compensation which such agencies pay to or on behalf of members of the Teachers Corps assigned to them pursuant to arrangements made pursuant to the preceding clause as may be agreed upon after consideration of their ability to pay such compensation, but not in excess of 90 per centum thereof, except that, in exceptional cases, the Commissioner may provide more than 90 per centum of such compensation during the first year of any agency's participation in the program;

(5) make available technical assistance to local educational agencies and institutions of higher education for carrying out arrangements entered into under clause (1);

(6) acquaint qualified persons of teaching opportunities and needs in disadvantaged areas and encourage qualified persons to apply to appropriate educational agencies or institutions for enrollment in the Teacher Corps; and

(7) accept and employ in the furtherance of the purposes of this subpart (A) voluntary and uncompensated services notwithstanding the provisions of section 665(b) of Title 31 and (B) any money or property (real, personal, or mixed, tangible or intangible) received by gift, devise, bequest, or otherwise.

- (b) Arrangements for training to provide for training leading to an appropriate degree.

Arrangements with institutions of higher education to provide training for teacher-interns while teaching in schools for local educational agencies under the provisions of this subpart shall provide, wherever possible, for training leading to an appropriate degree.

- (c) Allocation and reallocation of teachers among States.

(1) Whenever the Commissioner determines that the demand for the services of members of the Teacher Corps exceeds the number available, he shall, to the extent practicable, allocate the number of members of the Teachers Corps who are available among the States in accordance with paragraph (2).

(2) Not to exceed 3 per centum of the number of members of the Teacher Corps who are available shall be allocated to Puerto Rico, the Virgin Islands, and elementary and secondary schools operated for Indian children by the Department of the Interior, according to their respective needs. The remainder of such number of Teacher Corps members shall be allocated among the States so that the number of members available to any State shall bear the same ratio to the number being allocated as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States. The number of children so enrolled shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this subsection, the term "State" shall not include Puerto Rico or the Virgin Islands.

(3) If the Commissioner determines that a State will not require the number of Teacher Corps members allocated to it under paragraph (2), he shall, from time to time, reallocate the number not required on such dates as he may fix, to other States in proportion to the original allocation to such States under paragraph (2), but with such proportionate number for any of such other States being reduced to the extent it exceeds the number the Commissioner determines such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallocated among the States whose proportionate numbers were not so reduced.

(d) Utilization of members assigned to local educational agencies.

A local educational agency may utilize members of the Teacher Corps assigned to it in providing, in the manner described in section 241e(a) (2) of this title, educational services in which children enrolled in private elementary and secondary schools can participate. (Pub. L. 89-329, title V, § 513, Nov. 8, 1965, 79 Stat. 1256, amended Pub. L. 90-35, § 3 (a) (3), (c)—(f), June 29, 1967, 81 Stat. 85, 86.)

AMENDMENTS

1967—Subsec. (a). Pub. L. 90-35, § 3(c), substituted "subpart" for "part" in text preceding cl. (1) and in cl. (2) in two instances; authorized cl. (1) contracts or other arrangements with institutions of higher education or local educational agencies for enrollment of members in the Teacher Corps, including persons with two year degree credit; provided cl. (2) approval by State educational agencies of arrangements with institutions of higher education or local educational agencies for teacher training; rewrote cl. (3) to require approval by State educational agencies of arrangements with local educational agencies for services of teaching teams rather than only a consultation and eliminated cl. (3) provisions for making arrangements for services of experienced teachers and for development of teacher-intern training programs according to the Commissioner's criteria; provided in cl. (4) for such payments as may be agreed upon with a 90 per centum limitation and exception thereto; and added cls. (5)—(7).

Subsec. (b). Pub. L. 90-35, § 3 (a) (3), (d), substituted "subpart" and "an appropriate degree" for "part" and "a graduate degree", respectively.

Subsec. (c) (1). Pub. L. 90-35, § 3(e), provided for allocation of members of the Teachers Corps who are available rather than experienced teachers or teaching teams.

Subsec. (c) (2). Pub. L. 90-35, § 3 (e), (f), provided for allocation of members of the Teacher Corps who are available rather than experienced teachers or teaching teams, substituted allocation formula prescribing the remainder of number of Teacher Corps members to be allocated among the States so that the number of members available to any State shall bear the same ratio to the number being allocated as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States for former formula allocating teachers or teaching teams among the other States in proportion to the number of children counted in each State for determining amount of basic grants made under section 241c of this title for the fiscal year for which the allocation is made, provided for determination of children enrolled, and defined "State"; and increased the percentage limitation on allocation to Puerto Rico and the Virgin Islands from 2 to 3 per centum and made such percentage applicable to elementary and secondary schools operated for Indian children by the Department of the Interior, respectively.

Subsec. (c) (3). Pub. L. 90-35, § 3(c), added par. (3).

EFFECT DATE OF 1967 AMENDMENT

Amendment of subsecs. (a)—(c) of this section by Pub. L. 90-35 effective June 29, 1967, see section 9(a) (4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1104, 1106 of this title.

§ 1104. Compensation of members.

(a) Rates.

An arrangement made with a local educational agency pursuant to paragraph (3) of section 1103(a) of this title shall provide for compensation by such agency of Teacher Corps members during the period of their assignment to it at the following rates:

(1) an experienced teacher who is leading a teaching team shall be compensated at a rate agreed to by such agency and the Commissioner; and

(2) a teacher-intern shall be compensated at a rate which is equal to the lowest rate paid by such agency for teaching full time in the school system and grade to which the intern is assigned, or \$75 per week plus \$15 per week for each dependent, whichever is less.

(b) Stipends during training period.

For any period of training under this subpart the Commissioner shall pay to members of the Teacher Corps such stipends (including allowances for subsistence and other expenses for such members and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported training programs.

(c) Travel expenses.

The Commissioner shall pay the necessary travel expenses of members of the Teacher Corps and their dependents and necessary expenses for the transportation of the household goods and personal effects of such members and their dependents, and such other necessary expenses of members as are directly related to their service in the Corps, including readjustment allowances proportionate to service.

(d) Protection of employee benefits.

The Commissioner is authorized to make such arrangements as may be possible, including the payment of any costs incident thereto, to protect the tenure, retirement rights, participation in a medical insurance program, and such other similar employee benefits as the Commissioner deems appropriate, of a member of the Teacher Corps who participates in any program under this subpart and who indicates his intention to return to the local educational agency or institution of higher education by which he was employed immediately prior to his service under this subpart.

(e) Medical insurance coverage.

The Commissioner is authorized to provide medical (including hospitalization) insurance for members of the Teachers Corps who do not otherwise obtain such insurance coverage either under an arrangement made pursuant to subsection (d) of this section or as an incident of an arrangement between the Commissioner and an institution or a State or local educational agency pursuant to section 1103 of this title. (Pub. L. 89-329, title V, § 514, Nov. 8, 1965, 79 Stat. 1257, amended Pub. L. 90-35, § 3 (a) (3), (g) (1), June 29, 1967, 81 Stat. 85, 86; Pub. L. 90-575, title II, § 232, Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Subsec. (e). Pub. L. 90-575 added subsec. (e).

1967—Subsec. (a) (1)—(3). Pub. L. 90-35, § 3(g) (1), struck out former par. (1) provision for rate of compensation of an experienced teacher who is not leading a teaching team equal to rate paid by local educational agency for a teacher with similar training and experience who has been assigned similar teaching duties redesignated former pars. (2) and (3) as (1) and (2), respectively, and provided in par. (2) for the rate of a teacher-intern determined as the lower of compensation based on the existing formula or \$75 per week plus \$15 per week for each dependent.

Subsecs. (b), (d). Pub. L. 90-35, § 3(a)(3), substituted "subpart" for "part," once in subsec. (b) and twice in subsec. (d).

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment of subsecs. (a), (b), and (d) of this section by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

SAVINGS CLAUSE

Section 3(g)(2) of Pub. L. 90-35 provided that: "The amendment made by this subsection [to subsec. (a) of this section] shall not apply to any person enrolled in the Teacher Corps before the date of enactment of this Act [June 29, 1967]."

§ 1105. Applicability of other provisions of law to members.

(a) Inapplicability of provisions of laws relating to Federal employment.

Except as otherwise specifically provided in this section, a member of the Teacher Corps shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Repealed. Pub. L. 90-83, § 10(b), Sept. 11, 1967, 81 Stat. 223.

(c) Applicability of Federal Tort Claims Act.

Such members shall be deemed to be employees of the Government for the purposes of the Federal tort claims provisions of Title 28.

(d) Inapplicability of National Defense Education Act of 1958 and educational opportunity grant provisions.

Members of the Teacher Corps shall not be eligible to receive payment of a student loan under title II of the National Defense Education Act of 1958 or of an educational opportunity grant under subchapter IV of this chapter. (Pub. L. 89-329, title V, § 515, Nov. 8, 1965, 79 Stat. 1257, amended Pub. L. 90-35, § 3(h), June 29, 1967, 81 Stat. 87; Pub. L. 90-83, § 10(b), Sept. 11, 1967, 81 Stat. 223.)

REFERENCES IN TEXT

The Federal tort claims provisions of Title 28, referred to in subsec. (c) of this section, mean the Federal Tort Claims Act, which is classified to sections 1346(b) and 2671 et seq. of Title 28, Judiciary and Judicial Procedure.

Title II of the National Defense Education Act of 1958, referred to in subsec. (d), is classified to sections 421-429 of this title.

AMENDMENTS

1967—Subsec. (b). Pub. L. 90-83 repealed subsec. (b) which provided that members, for the purpose of the administration of the Federal Employees' Compensation Act, be deemed employees of the United States.

Subsec. (d). Pub. L. 90-35 added subsec. (d).

EFFECTIVE DATE OF 1967 AMENDMENT

Subsec. (d) of this section effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1106. Supervision and control of members by local educational agencies to which assigned.

Members of the Teacher Corps shall be under the direct supervision of the appropriate officials of the local educational agencies to which they are assigned. Except as otherwise provided in clause (2) of section 1103(a) of this title, such agencies shall retain the authority to—

- (1) assign such members within their systems;
 - (2) make transfers within their systems;
 - (3) determine the subject matter to be taught;
 - (4) determine the terms and continuance of the assignment of such members within their systems.
- (Pub. L. 89-329, title V, § 516, Nov. 8, 1965, 79 Stat. 1285.)

§ 1107. Prohibition against furnishing members to replace teachers.

No member of the Teacher Corps shall be furnished to any local educational agency under the provisions of this subpart if such agency will use such member to replace any teacher who is or would otherwise be employed by such agency. (Pub. L. 89-329, title V, § 517, Nov. 8, 1965, 79 Stat. 1258, amended Pub. L. 90-35, § 3(a)(3), June 29, 1967, 81 Stat. 85.)

AMENDMENTS

1967—Pub. L. 90-35 substituted "subpart" for "part".

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1107a. Teaching children of migratory agricultural workers.

For purposes of this part the term "local educational agency" includes any State educational agency or other public or private nonprofit agency which provides a program or project designed to meet the special educational needs of migratory children of migratory agricultural workers, and any reference in this part to (1) teaching in the schools of a local educational agency includes teaching in any such program or project and (2) "migratory children of migratory agricultural workers" shall be deemed to continue to refer to such children for a period, not in excess of five years, during which they reside in the area served by the local educational agency. (Pub. L. 89-329, title V, § 517A, as added Pub. L. 90-35, § 3(i), June 29, 1967, 81 Stat. 87.)

EFFECTIVE DATE

Section effective June 29, 1967, see section 9(a)(4) of Pub. L. 90-35, set out as a note under section 1091 of this title.

Subpart 2.—Attracting and Qualifying Teachers to Meet Critical Teacher Shortages

§ 1108. Grants.

(a) Purpose.

The Commissioner shall carry out during the fiscal year ending June 30, 1969, and the succeeding fiscal year, a program for making grants to States to enable them to support the efforts of local communities experiencing critical teacher shortages, or the efforts of State Educational agencies, to (1) attract to teaching persons in the community who have been otherwise engaged and to provide them, through short-term intensive training programs and subsequent in-service training, with the qualifications necessary for a successful career in teaching, and (2) obtain the services of teacher aides and provide them with the necessary training with a view to increasing the effectiveness of classroom teachers.

(b) Authorization of appropriations.

For the purpose of making grants under this subpart, there are hereby authorized to be appropriated the sum of \$50,000,000 for the fiscal year ending June 30, 1969, and \$65,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971. (Pub. L. 89-329, title V, § 518, as added Pub. L. 90-35, § 4, June 29, 1967, 81 Stat. 87, and amended Pub. L. 90-575, title II, §§ 231(a), 233(a), Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575, § 233(a), added “, or the efforts of State educational agencies,” following “teacher shortages”.

Subsec. (b). Pub. L. 90-575, § 231(a), substituted “each of the succeeding fiscal years ending prior to July 1, 1971” for “the fiscal year ending June 30, 1970”.

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1109 of this title.

§ 1109. Allotments to States; reallootments.

(a) From the sums appropriated pursuant to section 1108(a) of this title, the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine and shall allot such amount among Puerto Rico, Guam, American Samoa, the Virgin Islands, the Canal Zone, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this subpart. From the remainder of such sums, the Commissioner shall apportion \$100,000 to each State, and shall then apportion to each State such part of the amount remaining which bears the same ratio to the total of such amount as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States. The number of children so enrolled shall be determined by Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this subsection, the term “State” shall not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Canal Zone, and the Trust Territory of the Pacific Islands.

(b) The amount of any State's allotment under subsection (a) of this section for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallootment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) of this section for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallooted among the States whose proportionate amounts were not so reduced. Any amounts reallooted to a State under this subsection during a year from funds appropriated pursuant to section 519 shall be

deemed part of its allotment under subsection (a) of this section for such year. (Pub. L. 89-329, title V, § 519, as added Pub. L. 90-35, § 4, June 29, 1967, 81 Stat. 88, and amended Pub. L. 90-575, title II, § 234(a), Oct. 16, 1968, 82 Stat. 1039.)

REFERENCES IN TEXT

“Section 519”, referred to in subsec. (b), was so enacted in the original and is classified to this section. It should probably read “section 518” which is classified to section 1108 of this title and provides appropriations authorization.

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575 authorized the Commissioner to apportion \$100,000 to each State, and then apportion to each State the determined part of the amount remaining.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 234(b) of Pub. L. 90-575 provided that: “The amendment made by this section [amending subsec. (a) of this section] shall be effective with respect to appropriations for fiscal years beginning after June 30, 1968.”

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1110. State plans.

(a) Terms and conditions.

Any State which desires to receive grants under this subpart shall submit to the Commissioner, through its State educational agency, a State plan, in such detail as the Commissioner deems necessary, which—

(1) designates the State educational agency as the sole State agency for administration of the State plan;

(2) sets forth a program under which funds paid to the State from its allotment under section 520 will be expended solely for (A) programs of local educational agencies or of the State educational agency, or both, to attract to teaching, persons in the community who have been otherwise engaged and to provide short-term intensive training and subsequent in-service training to qualify such persons for teaching, (B) programs of such agencies to obtain the services of teacher aides and to provide them with the preservice or in-service training they need to perform their duties as teacher aides, and (C) administration of the State plan, except that the amount used for administration of the State plan for any fiscal year shall not exceed an amount equal to 3 per centum of the amount paid to the State under this subpart for that year;

(3) with respect to so much of the State program as is to be carried out by local educational agencies, (A) provides assurance that every local educational agency whose application for funds under the plan is denied will be given an opportunity for a fair hearing before the State educational agency and (B) sets forth the policies and procedures to be followed in allocating Federal funds to local educational agencies in the State, which policies and procedures shall insure that such funds will be allocated to local educational agencies having the most urgent need for teachers and teacher aides;

(4) provides that training under a program described in paragraph (2) (A) will be provided only to persons who will, upon completion of their short-term training, have the qualifications for teaching in elementary or secondary schools in the community, and that training under a program described in paragraph (2) (B) will be provided only to persons who show promise of being able with appropriate training to serve competently as a teacher aide;

(5) provides assurances that not more than one-third of the sums expended under this chapter will be used to support programs described in paragraph (2) (B);

(6) provides assurances that no person will be denied admission to training programs carried on under this subpart because he is preparing to teach or serve as a teacher aide in a private school;

(7) sets forth policies and procedures designed to assure that Federal funds made available under this subpart for any fiscal year will be so used as to supplement, and not supplant, funds which are available from State or local sources for purposes for which grants may be made under this subpart;

(8) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including any such funds paid by the State to any other public agency) under this subpart; and

(9) provides for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this subpart, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) Approval by Commissioner.

The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a) of this section. (Pub. L. 89-329, title V, § 520, as added Pub. L. 90-35, § 4, June 29, 1967, 81 Stat. 88, and amended Pub. L. 90-575, title II, § 233(b), Oct. 16, 1968, 82 Stat. 1039.)

REFERENCES IN TEXT

"Section 520", referred to in subsec. (a) (2), was so enacted in the original and is classified to this section. It should probably read "section 519" which is classified to section 1109 of this title and provides for allotments to States.

This chapter, referred to in subsec. (a) (5), was, in the original, "this Act", meaning Pub. L. 89-329. For complete classification of Pub. L. 89-329 to the Code, see Short Title note under section 1001 of this title.

AMENDMENTS

1968—Subsec. (a) (2). Pub. L. 90-575, § 233(b) (1), added "or of the State educational agency, or both," following "local educational agencies".

Subsec. (a) (3). Pub. L. 90-575, § 233(b) (2), added subsec. (a) (3). Former subsec. (a) (3), requiring the State plan to provide assurance that every local educational agency whose application for funds under the plan is denied will be given an opportunity for a fair hearing before the State educational agency, was struck out.

Subsecs. (a) (5)—(9). Pub. L. 90-575, § 233(b) (4), redesignated subsec. (a) (5) as (a) (4). Former subsec. (a) (4), requiring the State plan to set forth the policies and procedures to be followed in allocating Federal funds to local educational agencies in the State, was struck out.

Subsec. (a) (5)—(9). Pub. L. 90-575, § 233(b) (4), redesignated former subsecs. (a) (6)—(10) as (a) (5)—(9). Former subsec. (a) (5) was redesignated as (a) (4).

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1110a. Payments to States; amount; installments; advances or reimbursement; adjustments.

From the amounts allotted to each State under section 1109 of this title the Commissioner shall pay to that State an amount equal to the amount expended by the State in carrying out its State plan. Such payments may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments. (Pub. L. 89-329, title V, § 520A, as added Pub. L. 90-35, § 4, June 29, 1967, 81 Stat. 89.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1110b. Administration of State plans.

(a) The Commissioner shall not finally disapprove any State plan submitted under this subpart or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to such State agency, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 1110(a) of this title, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provisions,

the Commissioner shall notify such State agency that the State will not be regarded as eligible to participate in the program under this subpart until he is satisfied that there is no longer any such failure to comply. (Pub. L. 89-329, title V, § 520B, as added Pub. L. 90-35, § 4, June 29, 1967, 81 Stat. 89.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1110c. Judicial review.

(a) Appeal from final action of Commissioner to court of appeals.

If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 1110(a) of this title or with his final action under section 1110b(b) of this title, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner

thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of Title 28.

(b) Conclusiveness of Commissioner's findings; remand to take further evidence; conclusiveness of new or modified findings.

The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) Jurisdiction of court of appeals to affirm or set aside Commissioner's action; review by Supreme Court.

The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of Title 28. (Pub. L. 89-329, title V, § 520C, as added Pub. L. 90-35, § 4, June 29, 1967, 81 Stat. 90.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

PART C.—FELLOWSHIPS FOR TEACHERS AND RELATED EDUCATIONAL PERSONNEL

§ 1111. Congressional declaration of policy and statement of purpose; definitions.

The Congress hereby declares it to be the policy of the United States to improve the quality of education offered by the schools of the Nation by improving the quality of the education of persons who are pursuing or who plan to pursue a career in elementary and secondary education or postsecondary vocational education. The purpose of this part is to carry out this policy by awarding fellowships for graduate study at institutions of higher education and by developing or strengthening programs for the education of teachers and related educational personnel in institutions of higher education. For the purposes of this part the term "elementary and secondary education" includes preschool and adult and vocational education, and the term "career in elementary and secondary education or postsecondary vocational education" means a career of teaching in elementary or secondary schools (including teaching in preschool and adult and vocational education programs, and including teaching children of limited English-speaking ability) or in postsecondary vocational schools, a career of teaching, guiding, or supervising such teachers or persons who plan to become such teachers, a career in the administration of such schools, or a career in fields which are directly related to teaching in such schools, such as library science, school social work, guidance and counseling, educational media

(including educational and instructional television and radio), child development, and special education for handicapped children. (Pub. L. 89-329, title V, § 521, Nov. 8, 1965, 79 Stat. 1258, amended Pub. L. 90-35, § 5(b), June 29, 1967, 81 Stat. 90; Pub. L. 90-247, title VII, § 704(a), Jan. 2, 1968, 81 Stat. 820; Pub. L. 90-575, title II, § 235, Oct. 16, 1968, 82 Stat. 1040.)

AMENDMENTS

1968—Pub. L. 90-575 added "a career in the administration of such schools," following "become such teachers,".

Pub. L. 90-247 inserted, effective for the fiscal year ending June 30, 1968 only, ", a career of teaching children of limited English-speaking ability" following "a career of teaching in elementary or secondary schools", and inserted, effective with respect to subsequent fiscal years, ", and including teaching children of limited English-speaking ability" following "including teaching in preschool and adult and vocational education programs".

1967—Pub. L. 90-35 struck out "elementary and secondary" preceding "schools" and inserted "or postsecondary vocational education" after "career in elementary or secondary education" in the first sentence; provided for the education of related educational personnel in the second sentence; and defined term "elementary and secondary education", substituted "career in elementary and secondary education or postsecondary vocational education" means a career of teaching in elementary or secondary schools (including teaching in preschool and adult and vocational education programs) or in postsecondary vocational schools" for "career in elementary and secondary education" means a career of teaching in elementary or secondary schools" and "such schools" for "elementary or secondary schools" where appearing second time, and included in the teaching fields educational and instructional television and radio as educational media and child development, in the third sentence.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the amendment, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1112. Fellowships authorization.

The Commissioner is authorized to award fellowships in accordance with the provisions of this part for graduate study leading to an advanced degree for persons who are pursuing or plan to pursue a career in elementary and secondary education or postsecondary vocational education. (Pub. L. 89-329, title V, § 522, Nov. 8, 1965, 79 Stat. 1258, amended Pub. L. 90-35, § 5(c), June 29, 1967, 81 Stat. 91; Pub. L. 90-247, title VII, § 704(b), Jan. 2, 1968, 81 Stat. 820.)

AMENDMENTS

1968—Pub. L. 90-247 reinstated for fiscal year ending June 30, 1968, only, section as it appeared prior to amendment by Pub. L. 90-35 and in subsec. (a) of such section as so reinstated, substituted "eleven thousand fellowships for the fiscal year ending June 30, 1968" for "ten thousand fellowships for the fiscal year ending June 30, 1968".

1967—Pub. L. 90-35 substituted authorization for award of graduate fellowships for careers in education, including postsecondary vocational education, for former subsec. (a) authorization of 4,500, 10,000, and 10,000 fellowships for fiscal years ending June 30, 1966, 1967, and 1968, respectively, for graduate study for an advance degree other than doctor of philosophy for periods not to exceed twenty-four months and former subsec. (b) provision for additional fellowships upon vacation of previous awards.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the amendment, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1113. Allocation of fellowships to institutions with approved programs.

The Commissioner shall allocate fellowships under this part to institutions of higher education with programs approved under the provisions of section 1114(a) of this title for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

(1) provide an equitable distribution of such fellowships throughout the States, taking into account such factors as the number of children in each State who are aged three to seventeen and the undergraduate student enrollment in institutions of higher education in each State, except that to the extent that the National Advisory Council on Education Professions Development determines that an urgent need for a certain category of educational personnel is unlikely to be met without preference in favor of such category over other categories of educational personnel, the Commissioner may give preference to programs designed to meet that need, but in no case shall such preferred programs constitute more than 50 per centum of the total number of fellowships awarded in any fiscal year, and

(2) encourage experienced teachers in elementary or secondary schools or postsecondary vocational schools and other experienced personnel in elementary or secondary education or postsecondary vocational education to enter graduate programs, attract recent college graduates to pursue a career in elementary and secondary education, or postsecondary vocational education, and afford opportunities for college graduates engaged in other occupations or activities to pursue or return to a career in elementary and secondary education.

(Pub. L. 89-329, title V, § 523, Nov. 8, 1965, 79 Stat. 1259, amended Pub. L. 90-35, § 5(d), June 29, 1967, 81 Stat. 91; Pub. L. 90-575, title II, § 236, Oct. 16, 1968, 82 Stat. 1040.)

AMENDMENTS

1968—Par. (1). Pub. L. 90-575 added the factors to be taken into account in providing for an equitable distribution of fellowships throughout the States, and authorized the National Advisory Council on Education Professions Development to determine a need for a preference in a certain category of educational personnel, with the Commissioner to implement programs designed to meet the proclaimed need, but in no case such preferred programs to constitute more than 50% of the total number of fellowships awarded in any fiscal year.

1967—Par. (1). Pub. L. 90-35, § 5(d)(1), substituted "National Advisory Council on Education Professions Development" for "Advisory Council on Quality Teacher Preparation".

Par. (2). Pub. L. 90-35, § 5(d)(2), inserted "or postsecondary vocational schools" after "elementary or secondary schools" and "or postsecondary vocational education" after "elementary or secondary education" once and "career in elementary and secondary education" in two instances.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment of par. (1) of this section by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(2) of Pub. L. 90-35, set out as a note under section 1091 of this title.

Amendment of par. (2) of this section by Pub. L. 90-35 effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning dissemination of information by the Commissioner with respect to the amendment, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1114. Approval of graduate programs and grants for development and strengthening.

(a) Application for approval; findings of Commissioner.

The Commissioner shall approve a graduate program of an institution of higher education only upon application by the institution and only upon his finding—

(1) that such program will substantially further the objective of improving the quality of education of persons who are pursuing or intend to pursue a career in elementary and secondary education or postsecondary vocational education,

(2) that such program gives emphasis to high-quality substantive courses,

(3) that such program is of high quality and either is in effect or readily attainable, and

(4) that only persons who demonstrate a serious intent to pursue or to continue a career in elementary and secondary education or postsecondary vocational education will be accepted for study in the program.

(b) Purpose and authorization of grants.

For the purpose of obtaining an appropriate geographical distribution of high-quality programs for the training of personnel for elementary or secondary education, the Commissioner is authorized to make grants to and contracts with institutions of higher education to pay part of the cost of developing or strengthening graduate programs which meet or, as a result of assistance received under this subsection will be enabled to meet, the requirements of subsection (a) of this section.

(c) Repealed. Pub. L. 90-35, § 5(e)(2), June 29, 1967, 81 Stat. 91.

(Pub. L. 89-329, title V, § 524, Nov. 8, 1965, 79 Stat. 1259, amended Pub. L. 90-35, § 5(e), June 29, 1967, 81 Stat. 91; Pub. L. 90-575, title II, § 237, Oct. 16, 1968, 82 Stat. 1040.)

AMENDMENTS

1968—Subsecs. (a) (1), (4). Pub. L. 90-575 added "or postsecondary vocational educational" following "career in elementary and secondary education" wherever appearing.

1967—Subsec. (b). Pub. L. 90-35, § 5(e)(1), inserted "or, as a result of assistance received under this subsection will be enabled to meet," in the text.

Subsec. (c). Pub. L. 90-35, § 5(e)(2), repealed provisions for employment, compensation, and travel expenses of experts and consultants, now covered in section 1091f of this title, and for regulations setting standards and priorities for approval of grants.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment of subsec. (b) of this section by Pub. L. 90-35 effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the amendment, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

Repeal of subsec. (c) of this section by Pub. L. 90-35 effective June 29, 1967, see section 9(a)(3) of Pub. L. 90-35, set out as a note under section 1091 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1113 of this title.

§ 1115. Stipends.

(a) The Commissioner shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) The Commissioner shall (in addition to stipends paid to persons under subsection (a) of this section) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount shall not exceed \$3,500 per academic year for each such person. (Pub. L. 89-329, title V, § 525, Nov. 8, 1965, 79 Stat. 1260, amended Pub. L. 90-35, § 5(f), June 29, 1967, 81 Stat. 91; Pub. L. 90-575, title II, § 238, Oct. 16, 1968, 82 Stat. 1040.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-575 substituted provisions authorizing the Commissioner to pay the institution such amount as the Commissioner determines to be consistent with prevailing practices under comparable federally supported programs, such amount not to exceed \$3,500 per academic year for each covered person, for provisions authorizing the Commissioner to pay to the institution such amount as the Commissioner determines to be appropriate, such amount not to exceed the equivalent of \$2,500 per academic year for each covered person, with any amount charged such person for tuition, etc., deducted from the amount payable to the institution.

1967—Subsec. (b). Pub. L. 90-35 rewrote former requirement that Commissioner pay an amount equivalent to \$2,500 per academic year to institution of attendance to require the payment of such amount as the Commissioner determines to be appropriate, not to exceed the equivalent of \$2,500 per academic year.

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment of subsec. (b) of this section by Pub. L. 90-35 effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the amendment, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1117 of this title.

§ 1116. Prohibition of award of fellowships for study at school or department of divinity.

No fellowships shall be awarded under this part for study at a school or department of divinity. For the purposes of this section, the term "school or department of divinity" means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects. (Pub. L. 89-329, title V, § 526, Nov. 8, 1965, 79 Stat. 1260.)

§ 1117. Conditions of fellowships.

A person awarded a fellowship under the provisions of this part shall continue to receive the pay-

ments provided in section 1115(a) of this title only during such periods as the Commissioner finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than such part-time employment in teaching, research, or similar activities related to his training as has been approved by the Commissioner. (Pub. L. 89-329, title V, § 527, Nov. 8, 1965, 79 Stat. 1260.)

§ 1118. Authorization of appropriations.

There are hereby authorized to be appropriated to carry out this part \$40,000,000 for the fiscal year ending June 30, 1966, \$160,000,000 for the fiscal year ending June 30, 1967, \$285,000,000 for the fiscal year ending June 30, 1968, \$205,000,000 for the fiscal year ending June 30, 1969, and \$250,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971; and such sums for the two succeeding fiscal years as may be necessary to enable persons who have been awarded fellowships prior to July 1, 1971, to complete their study under the fellowships. (Pub. L. 89-329, title V, § 528, Nov. 8, 1965, 79 Stat. 1260, amended Pub. L. 90-35, § 5(g), June 29, 1967, 81 Stat. 91; Pub. L. 90-247, title VII, § 704(c)(1), Jan. 2, 1968, 81 Stat. 820; Pub. L. 90-575, title II, § 231(a), (b)(2), Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Pub. L. 90-575 substituted "each of the succeeding fiscal years ending prior to July 1, 1971" for "the fiscal year ending June 30, 1970", and "July 1, 1971" for "July 1, 1970".

Pub. L. 90-247 substituted, effective with respect to fiscal years ending after June 30, 1967, "\$285,000,000" for "\$275,000,000", "\$205,000,000" for "\$195,000,000", "\$250,000,000" for "\$240,000,000", and "July 1, 1970" for "July 1, 1968".

1967—Pub. L. 90-35 authorized appropriations of 195 and 240 million dollars for fiscal years ending June 30, 1969 and 1970, respectively.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 704(c)(2) of Pub. L. 90-247 provided that: "The amendments made by this subsection [to this section] shall, notwithstanding section 9(a) of Public Law 90-35 [set out as a note under section 1091 of this title], be effective with regard to fiscal years beginning after June 30, 1967."

EFFECTIVE DATE OF 1967 AMENDMENT

Amendment by Pub. L. 90-35 effective with respect to fiscal years beginning after June without precluding advance planning and dissemination of information by the Commissioner with respect to the amendment, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

PART D.—TRAINING PROGRAMS FOR EDUCATION PERSONNEL OTHER THAN HIGHER EDUCATION PERSONNEL

§ 1119. Advance training and retraining.

(a) Grants or contracts for coordinated Part B and Part D programs or projects.

The Commissioner is authorized to make grants to, or contracts with, institutions of higher education and State educational agencies, and to make grants to, or contracts with, local educational agencies if, after consultation with the State educational agency, such State agency is satisfied that the program or project will be coordinated with programs carried

on under part B, for carrying out programs or projects to improve the qualifications of persons who are serving or preparing to serve in educational programs in elementary and secondary schools (including preschool and adult and vocational education programs) or postsecondary vocational schools or to supervise or train persons so serving.

(h) Classes of programs or projects.

Programs or projects under this section may include, among others—

(1) programs or projects to train or retrain teachers, or supervisors or trainers of teachers, in any subject generally taught in the schools;

(2) programs or projects to train or retrain other educational personnel in such fields as guidance and counseling (including occupational counseling), school social work, child psychology, remedial speech and reading, child development, and educational media (including educational or instructional television or radio);

(3) programs or projects to train teacher aides and other nonprofessional educational personnel;

(4) programs or projects to provide training and preparation for persons participating in educational programs for children of preschool age;

(5) programs or projects to prepare teachers and other educational personnel to meet the special needs of the socially, culturally, and economically disadvantaged;

(6) programs or projects to prepare teachers and other educational personnel to meet the special needs of exceptionally gifted students;

(7) programs or projects to train or retrain persons engaging in programs of special education for the handicapped;

(8) programs or projects to train or retrain persons engaging in special educational programs for children of limited English-speaking ability;

(9) programs or projects to provide inservice and other training and preparation for school administrators;

(10) programs or projects to prepare artists, craftsmen, scientists, artisans, or persons from other professions or vocations, or homemakers to teach or otherwise assist in programs or projects of education on a long-term, short-term, or part-time basis.

(c) Limitation on use of funds.

Grants or contracts under this section may provide for use of funds received thereunder only to pay the cost of—

(1) short-term or regular-session institutes; or

(2) other preservice and inservice training programs or projects designed to improve the qualifications of persons entering and reentering the field of elementary and secondary education or postsecondary vocational education, except that funds may not be used for seminars, symposia, workshops or conferences unless these are part of a continuing program of inservice or preservice training.

(d) Stipends.

The Commissioner may include in the terms of any grant or contract under this section provisions authorizing the payment, to persons participating

in training programs supported under this section, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs. (Pub. L. 89-329, title V, § 531, as added Pub. L. 90-35, § 6, June 29, 1967, 81 Stat. 91, and amended Pub. L. 90-247, title VII, § 704(d), Jan. 2, 1968, 81 Stat. 820.)

AMENDMENTS

1968—Subsec. (b) (8). Pub. L. 90-247 added cl. (8) and redesignated former cl. (8) as (9).

Subsec. (b) (9), (10). Pub. L. 90-247 redesignated former cls. (8) and (9) as (9) and (10), respectively.

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

1119a. Authorization of appropriations.

There is authorized to be appropriated to carry out this part the sum of \$70,000,000 for the fiscal year ending June 30, 1969, and the sum of \$90,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971. (Pub. L. 89-329, title V, § 532, as added Pub. L. 90-35, § 6, June 29, 1967, 81 Stat. 92, and amended Pub. L. 90-575, title II, § 231(a), Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Pub. L. 90-575 substituted "each of the succeeding fiscal years ending prior to July 1, 1971" for "the fiscal year ending June 30, 1970."

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1119a-1. Distribution of training programs.

In making grants and contracts for programs and projects under this part, the Commissioner shall seek to achieve an equitable geographical distribution of training opportunities throughout the Nation, taking into account the number of children in each State who are aged three to seventeen. (Pub. L. 89-329, title V, § 533, as added Pub. L. 90-575, title II, § 239, Oct. 16, 1968, 82 Stat. 1040.)

PART E.—TRAINING PROGRAMS FOR HIGHER EDUCATION PERSONNEL

§ 1119b. Programs and projects.

(a) Grants or contracts.

The Commissioner is authorized to make grants to, or contracts with, institutions of higher education to assist them in training persons who are serving or preparing to serve as teachers, administrators, or educational specialists in institutions of higher education.

(b) Limitation on use of funds.

Grants or contracts under this section may provide for use of funds received thereunder only to assist in covering the cost of courses of training or

study (including short-term or regular-session institutes and other preservice and inservice training programs) for such persons, and for establishing and maintaining fellowships or traineeships, except that funds may not be used for fellowships which are eligible for support under title IV of the National Defense Education Act of 1958, or for seminars, conferences, symposia, and workshops unless these are part of a continuing program of inservice or preservice training.

(c) Application of institution of higher education; findings of Commissioner.

The Commissioner may make a grant to or enter into a contract with an institution of higher education only upon application by the institution and only upon his finding that such program will substantially improve educational opportunities throughout the Nation for training for persons who have or are preparing to undertake teaching or administrative responsibilities in institutions of higher education or the responsibilities of an educational specialist in such institution. (Pub. L. 89-329, title V, § 541, as added Pub. L. 90-35, § 6, June 29, 1967, 81 Stat. 93.)

REFERENCES IN TEXT

Title IV of the National Defense Education Act of 1958, referred to in subsec. (b), is classified to sections 461—465 of this title.

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1119b-1. Stipends.

The Commissioner may include in the terms of any arrangement with an institution of higher education under this part provisions authorizing the payment, to persons participating in training programs supported under this part, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs. (Pub. L. 89-329, title V, § 542, as added Pub. L. 90-35, § 6, June 29, 1967, 81 Stat. 93.)

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

§ 1119b-2. Authorization of appropriations.

There is authorized to be appropriated to carry out this part the sum of \$21,500,000 for the fiscal year ending June 30, 1969, and the sum of \$36,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971. (Pub. L. 89-329, title V, § 543, as added Pub. L. 90-35, § 6, June 29, 1967, 81 Stat. 93, and amended Pub. L. 90-575, title II, § 231(a), Oct. 16, 1968, 82 Stat. 1039.)

AMENDMENTS

1968—Pub. L. 90-575 substituted "each of the succeeding fiscal years ending prior to July 1, 1971" for "the fiscal year ending June 30, 1970".

EFFECTIVE DATE

Section effective with respect to fiscal years beginning after June 30, 1968, without precluding advance planning and dissemination of information by the Commissioner with respect to the section, see section 9 of Pub. L. 90-35, set out as a note under section 1091 of this title.

PART F.—TRAINING AND DEVELOPMENT PROGRAMS FOR VOCATIONAL EDUCATION PERSONNEL

§ 1119c. Congressional declaration of purpose.

It is the purpose of this part to provide opportunities for experienced vocational educators to spend full-time in advanced study of vocational education for a period not to exceed three years in length; to provide opportunities to up-date the occupational competencies of vocational education teachers through exchanges of personnel between vocational education programs and commercial, industrial, or other public or private employment related to the subject matter of vocational education; and to provide programs of inservice teacher education and short-term institutes for vocational education personnel. (Pub. L. 89-329, title V, § 551, as added Pub. L. 90-576, title II, § 201, Oct. 16, 1968, 82 Stat. 1091.)

§ 1119c-1. Leadership development awards.

(a) Authorization; eligibility.

In order to meet the needs in all the States for qualified vocational education personnel (such as administrators, supervisors, teacher educators, researchers, and instructors in vocational education programs) the Commissioner shall make available leadership development awards in accordance with the provisions of this part only upon his determination that—

(A) persons selected for awards have had not less than two years of experience in vocational education or in industrial training, or military technical training; or, in the case of researchers, experience in social science research which is applicable to vocational education; or

(B) persons receiving such awards are currently employed or are reasonably assured of employment in vocational education and have successfully completed, as a minimum, a baccalaureate degree program; or

(C) persons selected are recommended by their employer, or others, as having leadership potential in the field of vocational education and are eligible for admission as a graduate student to a program of higher education approved by the Commissioner under subsection (c) of this section.

(b) Pay to individuals; pay to educational institutions.

(1) The Commissioner shall pay to persons selected for leadership development awards such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(2) The Commissioner shall (in addition to the stipends paid to persons under paragraph (1)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent

with the prevailing practices under comparable federally supported programs not to exceed the equivalent of \$3,500 per academic year, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection.

(c) Approval provisions.

The Commissioner shall approve the vocational education leadership development program of an institution of higher education by the institution only upon finding that—

(1) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, guidance and counseling, research, and curriculum development;

(2) such program is designed to further substantially the objective of improving vocational education through providing opportunities teach-graduate training of vocational education teachers, supervisors, and administrators, and of university level vocational education teacher educators and researchers;

(3) such programs are conducted by a school of graduate study in the institution of higher education; and

(4) such program is also approved by the State board for vocational education in the State where the institution is located.

(d) Apportionment.

In order to meet the needs for qualified vocational education personnel such as teachers, administrators, supervisors, and teacher educators, in vocational education programs in all the States, the Commissioner in carrying out this section shall apportion leadership development awards equitably among the States, taking into account such factors as the State's vocational education enrollments, and the incidence of youth unemployment and school dropouts in the State.

(e) Termination of payments.

Persons receiving leadership awards under the provisions of this section shall continue to receive the payments provided in subsection (b) of this section only during such periods as the Commissioner finds that they are maintaining satisfactory proficiency in, and devoting essentially full-time to, study or research in the field of vocational education in an institution of higher education, and are not engaging in gainful employment, other than part-time employment by such institution in teaching, research, or similar activities, approved by the Commissioner. (Pub. L. 89-329, title V, § 552, as added Pub. L. 90-576, title II, § 201, Oct. 16, 1968, 82 Stat. 1092.)

§ 1119c-2. Exchange programs, institutes, and inservice education for vocational-education teachers, supervisors, coordinators, and administrators.

(a) Authorization to make grants.

The Commissioner is authorized to make grants to State boards, as defined in the Vocational Education Act of 1963, to pay the cost of carrying out cooperative arrangements for the training or retrain-

ing of experienced vocational education personnel such as teachers, teacher educators, administrators, supervisors, and coordinators, and other personnel, in order to strengthen education programs supported by this part and the administration of schools offering vocational education. Such cooperative arrangements may be between schools offering vocational education and private business or industry, commercial enterprises, or with other educational institutions (including those for the handicapped and delinquent).

(b) Authorized projects and activities.

Grants under this section may be used for projects and activities such as—

(1) exchange of vocational education teachers and other staff members with skilled technicians or supervisors in industry (including mutual arrangements for preserving employment and retirement status, and other employment benefits during the period of exchange), and the development and operation of cooperative programs involving periods of teaching in schools providing vocational education and of experience in commercial, industrial, or other public or private employment related to the subject matter taught in such school;

(2) inservice training programs for vocational education teachers and other staff members to improve the quality of instruction, supervision, and administration of vocational education programs; and

(3) short-term or regular-session institutes, or other preservice and inservice training programs or projects designed to improve the qualifications of persons entering and reentering the field of vocational education, except that funds may not be used for seminars, symposia, workshops or conferences unless these are part of a continuing program of inservice or preservice training.

(c) Provisions for approval.

A grant may be made under this section only upon application to the Commissioner at such time or times and containing such information as he deems necessary. The Commissioner shall not approve an application unless it—

(1) sets forth a program for carrying out one or more projects or activities which meet the requirements of subsection (b) of this section, and provides for such methods of administration as are necessary for the proper and efficient operation of the program;

(2) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes which meet the requirements of subsection (b) of this section, and in no case supplant such funds;

(3) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

(4) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports. (Pub. L. 89-329, title V, § 553, as added Pub. L. 90-576, title II, § 201, Oct. 16, 1968, 82 Stat. 1093.)

REFERENCES IN TEXT

The Vocational Education Act of 1963, referred to in text, is title I of Pub. L. 88-210, as added by Pub. L. 90-576, Title I, § 101(b), Oct. 16, 1968, 82 Stat. 1064, which is classified to section 1241 et seq. of this title.

§ 1119c-3. Familiarizing teachers with new curricular materials.

In approving training and development programs for vocational education personnel, the Commissioner shall give special consideration to programs which are designed to familiarize teachers with new curricular materials in vocational education. (Pub. L. 89-329, title V, § 554, as added Pub. L. 90-576, title II, § 201, Oct. 16, 1968, 82 Stat. 1094.)

§ 1119c-4. Authorization of appropriations.

There is authorized to be appropriated to carry out this part, the sum of \$25,000,000 for the fiscal year ending June 30, 1969, and the sum of \$35,000,000 for the fiscal year ending June 30, 1970. (Pub. L. 89-329, title V, § 555, as added Pub. L. 90-576, title II, § 201, Oct. 16, 1968, 82 Stat. 1094.)

SUBCHAPTER VI.—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A.—EQUIPMENT GRANTS

§ 1121. Statement of purpose; authorization of appropriations.

(a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) There are hereby authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, \$60,000,000 for the fiscal year ending June 30, 1968, \$13,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for each of the two succeeding fiscal years, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 1123(2) (B) of this title.

(c) There are also authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1966, \$10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, \$1,500,000 for the fiscal year ending June 30, 1969, and \$10,000,000 for each of the two succeeding fiscal years, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 1123(2) (B) of this title. (Pub. L. 89-329, title VI, § 601, Nov. 8, 1965,

79 Stat. 1261, amended Pub. L. 89-752, § 3(b), Nov. 3, 1966, 80 Stat. 1241; Pub. L. 90-575, title II, §§ 241, 242(a), Oct. 16, 1968, 82 Stat. 1041.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-575, §§ 241(1), 242(a), authorized to be appropriated \$13,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for each of the two succeeding fiscal years, and added provision for combinations of institutions of higher education.

Subsec. (c). Pub. L. 90-575, §§ 241(2), 242(a), authorized to be appropriated \$1,500,000 for the fiscal year ending June 30, 1969, and \$10,000,000 for each of the two succeeding fiscal years, and added provision for combinations of institutions of higher education.

Subsec. (d). Pub. L. 90-575, § 241(3), struck out subsec. (d), which appropriated for the fiscal year ending June 30, 1969, and for the succeeding fiscal year, for the purposes set forth in subsecs. (b) and (c) of this section, only such sums as the Congress hereafter authorizes by law.

1966—Subsec. (d). Pub. L. 89-752 struck out former subsec. (d), which appropriated \$1,000,000 for the fiscal years ending June 30, 1966, June 30, 1967, and June 30, 1968, for the Commissioner to make grants for the preparation and administration of State plans approved under this part, redesignated former subsec. (e) as (d), and as so redesignated substituted "subsections (b) and (c)" for "subsections (b), (c), and (d)".

Subsec. (e). Pub. L. 89-752 redesignated former subsec. (e) as (d).

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 715, 1122 of this title.

§ 1122. Allotments to States.

(a) Amount; enrollment determinations; allotment ratios.

(1) Of the funds appropriated pursuant to subsections (b) and (c) of section 1121 of this title for any fiscal year one-half shall be allotted by the Commissioner among the States so that the allotment to each State will be an amount which bears the same ratio of such one-half as the number of students enrolled in institutions of higher education in such State bears to the total number of students enrolled in such institutions in all the States; and the remaining one-half shall be allotted by him among the States in accordance with paragraph (2) of this subsection. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

(2) For the purposes of this paragraph the Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted pursuant to this paragraph as the product of—

(A) the number of students enrolled in institutions of higher education in such State, and

(B) the State's allotment ratio,

bears to the sum of the corresponding products for all the States. For the purposes of this paragraph the allotment ratio for any State shall be 1.00 less the product of (i) 0.50 and (ii) the quotient obtained

by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that the allotment ratio shall in no case be less than $0.33\frac{1}{3}$ or more than $0.66\frac{2}{3}$, and the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be $0.66\frac{2}{3}$. The allotment ratios shall be promulgated by the Commissioner as soon as possible after November 8, 1965, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

(b) Uses of allotments.

(1) A State's allotment under subsection (a) of this section from funds appropriated pursuant to section 1121(b) of this title shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 1124 of this title) of the cost of equipment and minor remodeling described in section 1123(2)(A) of this title.

(2) A State's allotment under subsection (a) of this section from funds appropriated pursuant to section 1121(c) of this title shall be available in accordance with the provisions of this part for payment of the Federal share (as determined under section 1124 of this title) of the cost of television equipment and minor remodeling described in section 1123(2)(B) of this title.

(c) Reservation of allotted sums; reallocation of unreserved funds.

Sums allotted to a State for the fiscal year ending June 30, 1966, shall remain available for reservation as provided in section 1126 of this title until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year. Sums allotted to a State for the fiscal year ending June 30, 1967, or for any succeeding fiscal year, which are not reserved as provided in section 1126 of this title by the close of the fiscal year for which they are allotted, shall be reallocated by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallocated. Amounts reallocated under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted. (Pub. L. 89-329, title VI, § 602, Nov. 8, 1965, 79 Stat. 1261.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 715 of this title.

§ 1123. State plans; submission to Commissioner through designated State agencies; required provisions; approval.

Any State desiring to participate in the program under this part shall designate for that purpose an existing State agency which is broadly representative of the public and of institutions of higher education in the State, or, if no such State agency exists, shall establish such a State agency, and submit to the Commissioner through the agency so designated or established (hereafter in this part referred to as

the "State commission") a State plan for such participation. The Commissioner shall approve any such plan which—

(1) provides that it shall be administered by the State commission;

(2) sets forth, consistently with basic criteria prescribed by regulation pursuant to section 1124 of this title, objective standards and methods (A) for determining the relative priorities of eligible projects for the acquisition of laboratory and other special equipment (other than supplies consumed in use), including audiovisual materials and equipment for classrooms or audiovisual centers, and printed and published materials (other than textbooks) for classrooms or libraries, suitable for use in providing education in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level in institutions of higher education, and minor remodeling of classroom or other space used for such materials or equipment; (B) for determining relative priorities of eligible projects for (i) the acquisition of television equipment for closed-circuit direct instruction in such fields in such institutions (including equipment for fixed-service instructional television, as defined by the Federal Communications Commission, but not including broadcast transmission equipment), (ii) the acquisition of necessary instructional materials for use in such television instruction, and (iii) minor remodeling necessary for such television equipment; and (C) for determining the Federal share of the cost of each such project;

(3) provides (A) for assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State commission and deemed by it to be otherwise approvable under the provisions of this part; and (B) for approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share determined by the State commission under the State plan, of the cost of the project involved;

(4) provides for affording to every applicant, which has submitted to the State commission a project, an opportunity for a fair hearing before the commission as to the priority assigned to such project or as to any other determination of the commission adversely affecting such applicant; and

(5) provides (A) for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State commission under this part, and (B) for the making of such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

(Pub. L. 89-329, title VI, § 603, Nov. 8, 1965, 79 Stat. 1262.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 715, 1121, 1122, 1127 of this title.

§ 1124. Basic criteria for determining priorities and standards for projects; Federal share.

(a) As soon as practicable after November 8, 1965, the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this part while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to the financial need of the institution or combination of institutions of higher education. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicants are effectively utilizing existing facilities and equipment, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this chapter, provision for considering the degree to which the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

(b) The Federal share for the purposes of this part shall not exceed 50 per centum of the cost of the project, except that a State commission may increase such share to not to exceed 80 per centum of such cost in the case of any institution or combination of institutions of higher education proving insufficient resources to participate in the program under this part and inability to acquire such resources. An institution of higher education shall be eligible for a grant for a project pursuant to this part in any fiscal year only if such institution will expend from current funds for instructional and library purposes, other than personnel costs, during such fiscal year an amount not less than the amount expended by such institution from current funds for such purposes during the previous fiscal year. A combination of institutions of higher education shall be eligible for such a grant in accordance with regulations of the Commissioner prescribing requirements for maintenance of effort. The Commissioner shall establish basic criteria for making determinations under this subsection. (Pub. L. 89-329, title VI, § 604, Nov. 8, 1965, 79 Stat. 1263, amended Pub. L. 89-752, § 14, Nov. 3, 1966, 80 Stat. 1244; Pub. L. 90-575, title II, § 242(b)—(d), Oct. 16, 1968, 82 Stat. 1041.)

REFERENCE IN TEXT

This chapter, referred to in subsec. (a) of this section, was, in the original, "this Act", meaning Pub. L. 89-329. For complete classification of Pub. L. 89-329 to this Code, see Short Title note under section 1001 of this title.

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575, § 242 (b), (c), added the reference to combinations of institutions of higher

education, and substituted "applicants" for "applicant institutions".

Subsec. (b). Pub. L. 90-575, § 242 (b), (d), added the reference to combinations of institutions of higher education, and the provision making such combinations of institutions eligible for grants in accordance with regulations of the Commissioner prescribing requirements for maintenance of effort.

1966—Subsec. (b). Pub. L. 89-752 substituted "from current funds for instructional and library purposes, other than personnel costs, during such fiscal year an amount not less than the amount expended by such institution from current funds for such purposes during the previous fiscal year" for "during such year for the same purposes as, but not pursuant to, this part an amount at least equal to the amount expended by such institution for such purposes during the previous fiscal year".

EFFECTIVE DATE OF 1966 AMENDMENT

Section 14 of Pub. L. 89-752 provided in part that the amendment to subsec. (b) of this section was to be effective with respect to applications filed after Dec. 30, 1966.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 715, 1122, 1123, 1125 of this title.

§ 1125. Applications for grants; time and manner of making; contents; conditions for approval; amendment.

(a) Institutions of higher education and combinations of institutions of higher education which desire to obtain grants under this part shall submit applications therefor at such time or times and in such manner as may be prescribed by the Commissioner, and such application shall contain such information as may be required by or pursuant to regulation for the purpose of enabling the Commissioner to make the determinations required to be made by him under this part.

(b) The Commissioner shall approve an application covering a project under this part and meeting the requirements prescribed pursuant to subsection (a) of this section if—

(1) the project has been approved and recommended by the appropriate State commission;

(2) the State commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the cost of the project, and sufficient funds to pay such Federal share are available from the applicable allotment of the State (including any applicable reallocation to the State);

(3) the project has, pursuant to the State plan, been assigned a priority that is higher than that of all other projects within such State (chargeable to the same allotment) which meet all the requirements of this section (other than this clause) and for which Federal funds have not yet been reserved;

(4) the Commissioner determines that the project will be undertaken in an economical manner and will not be overly elaborate or extravagant; and

(5) the Commissioner determines that the application contains or is supported by satisfactory assurances—

(A) that Federal funds received by the applicant will be used solely for defraying the cost of the project covered by such application,

(B) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the equipment upon completion, and

(C) that the applicant will meet the maintenance of effort requirement in section 1124(b) of this title.

(c) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications. (Pub. L. 89-329, title VI, § 605, Nov. 8, 1965, 79 Stat. 1264, amended Pub. L. 90-575, title II, § 242(a), (e), Oct. 16, 1968, 82 Stat. 1041.)

CODIFICATION

Section as originally enacted consisted of subsec. (a) and two subsecs. (b). For purposes of codification the second subsec. (b) has been changed to subsec. (c).

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575, § 242(a), added provision for combinations of institutions of higher education.

Subsec. (b) (5) (C). Pub. L. 90-575, § 242(e), substituted "applicant" for "institution".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 715 of this title.

§ 1126. Reservation and payment of grants.

Upon his approval of any application for a grant under this part, the Commissioner shall reserve from the applicable allotment (including any applicable reallocation) available therefor, the amount of such grant, which (subject to the limits of such allotment or reallocation) shall be equal to the Federal share of the cost of the project covered by such application. The Commissioner shall pay such reserved amount, in advance or by way of reimbursement, and in such installments as he may determine. The Commissioner's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application covering such project or upon revision of the estimated cost of a project with respect to which such reservation was made, and in the event of an upward revision of such estimated cost approved by him he may reserve the Federal share of the added cost only from the applicable allotment (or reallocation) available at the time of such approval. (Pub. L. 89-329, title VI, § 606, Nov. 8, 1965, 79 Stat. 1265.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 715, 1122, of this title.

§ 1127. Disapproval of State plans; notice and hearings; findings of Commissioner; notification of non-eligibility.

(a) The Commissioner shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State commission submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering a State plan approved under this part, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 1123 of this title, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this part until he is satisfied that there is no longer any such failure to comply. (Pub. L. 89-329, title VI, § 607, Nov. 8, 1965, 79 Stat. 1265.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 715, 1128 of this title.

§ 1128. Judicial review.

(a) Appeal from final action of Commissioner to court of appeals.

If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under this part or with his final action under section 1127 of this title, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(b) Conclusiveness of Commissioner's findings; remand to take further evidence; conclusiveness of new or modified findings.

The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) Jurisdiction of court of appeals to affirm or set aside Commissioner's action; review by Supreme Court.

The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of Title 28. (Pub. L. 89-329, title VI, § 608, Nov. 8, 1965, 79 Stat. 1265.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 715 of this title.

§ 1129. Prohibition against making grants for equipment or materials to be used for sectarian instruction or religious worship.

No grant may be made under this part for equipment or materials to be used for sectarian instruction or religious worship, or primarily in connection with any part of the program of a school or department of divinity. For purposes of this section the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of

religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects. (Pub. L. 89-329, title VI, § 609, Nov. 8, 1965, 79 Stat. 1266.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 715 of this title.

§ 1129a. Consultation by Commissioner with National Science Foundation and other agencies.

So as to promote the coordination of Federal programs providing assistance in the purchase of laboratory or other special equipment for education in the natural or physical sciences, the Commissioner shall consult with the National Science Foundation and other agencies in developing general policy, under this subchapter, in respect thereof. (Pub. L. 89-329, title VI, § 610, as added Pub. L. 90-575, title II, § 243, Oct. 16, 1968, 82 Stat. 1041.)

PART B.—FACULTY DEVELOPMENT PROGRAMS

§ 1131. Grants for operating workshops or institutes.

(a) There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, to enable the Commissioner to arrange, through grants or contracts, with institutions of higher education for the operation by them of short-term workshops or short-term or regular-session institutes for individuals (1) who are engaged in, or preparing to engage in, the use of educational media equipment in teaching in institutions of higher education, or (2) who are, or are preparing to be, in institutions of higher education, specialists in educational media or librarians or other specialists using such media.

(b) For the fiscal year ending June 30, 1969, and for the succeeding fiscal year, there may be appropriated for the purposes of this part, only such sums as the Congress may hereafter authorize by law. (Pub. L. 89-329, title VI, § 621, Nov. 8, 1965, 79 Stat. 1266.)

§ 1132. Stipends for individuals attending institutes.

Each individual who attends an institute operated under the provisions of this part shall be eligible (after application therefor) to receive a stipend at the rate of \$75 per week for the period of his attendance at such institute and each such individual with one or more dependents shall receive an additional stipend at the rate of \$15 per week for each dependent. No stipends shall be paid for attendance at workshops. (Pub. L. 89-329, title VI, § 622, Nov. 8, 1965, 79 Stat. 1266.)

SUBCHAPTER VII.—NETWORKS FOR KNOWLEDGE

§ 1133. Sharing educational and related resources.

(a) Authorization for projects and grants.

To encourage colleges and universities to share to an optimal extent, through cooperative arrangements, their technical and other educational and administrative facilities and resources, and in order to test and demonstrate the effectiveness and efficiency of a variety of such arrangements the Commissioner is authorized to enter into contracts and to make project grants for all or part of the cost of planning,

developing, or carrying out such arrangements. Such grants may be made to public or nonprofit private colleges or universities. When in the Commissioner's judgment it will more effectively promote the purposes of this subchapter, the Commissioner may make grants to other established public or nonprofit private agencies or organizations, including professional organizations or academic societies and he may enter into contracts with established private agencies and organizations.

(b) Authorized projects.

Projects for the planning, development, or carrying out of such arrangements assisted under this subchapter may, subject to the provisions of subsection (c) of this section, include—

(1) (A) joint use of facilities such as classrooms, libraries, or laboratories, including joint use of necessary books, materials, and equipment; or (B) affording access to specialized library collections through preparation of interinstitutional catalogs and through development of systems and preparation of suitable media for electronic or other rapid transmission of materials;

(2) establishment and joint operation of closed-circuit television or equivalent transmission facilities (such as the instructional television fixed services); and

(3) establishment and joint operation of electronic computer networks and programs therefor, to be available to participating institutions for such purposes as financial and student records, student course work, or transmission of library materials.

(c) Grants; non-includable costs.

(1) Grants pursuant to clause (B) of paragraph (1) of subsection (b) of this section may not be used to pay the costs of electronic transmission terminals.

(2) In the case of a project for the establishment and operation of a computer network, grants may not include—

(A) the cost of operating administrative terminals or student terminals at participating institutions; or

(B) the cost, or any participating institution's pro rata share of the cost, of using the central computer facilities of the network, except (i) such costs of systems development and programming of computers and transmission costs as are necessary to make the network operational, (ii) the administrative and program support costs of the central facilities of the network, and (iii) the line-access costs incurred by participating institutions.

(Pub. L. 89-329, title VIII, § 801, as added Pub. L. 90-575, title II, § 251, Oct. 16, 1968, 82 Stat. 1042.)

§ 1133a. Authorization of appropriations.

There are authorized to be appropriated for the purposes of this subchapter (and planning and related activities in the initial fiscal year for such purpose), \$340,000 for the fiscal year ending June 30, 1969, \$4,000,000 for the fiscal year ending June 30, 1970, and \$15,000,000 for the fiscal year ending June 30, 1971. (Pub. L. 89-329, title VIII, § 802, as added Pub. L. 90-575, title II, § 251, Oct. 16, 1968, 82 Stat. 1043.)

§ 1133b. Authority for free or reduced rate communications interconnection services.

Nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prevent United States communications common carriers from rendering, subject to such rules and regulations as the Federal Communications Commission may prescribe, free or reduced rate communications interconnection services for interconnection systems within the purview of this subchapter, whether or not included in a project for which a grant is made under this subchapter. (Pub. L. 89-329, title VIII, § 803, as added Pub. L. 90-575, title II, § 251, Oct. 16, 1968, 82 Stat. 1043.)

REFERENCES IN TEXT

The Communications Act of 1934, as amended, referred to in text, is Act June 19, 1934, ch. 652, 48 Stat. 1064, which is classified to section 151 et seq. of Title 47, Telegraphs, Telephones, and Radiotelegraphs.

SUBCHAPTER VIII.—EDUCATION FOR THE PUBLIC SERVICE

§ 1134. Congressional declaration of purpose.

It is the purpose of this subchapter to establish a program of grants and fellowships to improve the education of students attending institutions of higher education in preparation for entrance into the service of State, local, or Federal governments, and to attract such students to the public service. (Pub. L. 89-329, title IX, § 901, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1043.)

PART A.—GRANTS AND CONTRACTS TO STRENGTHEN AND IMPROVE EDUCATION FOR THE PUBLIC SERVICE

§ 1134a. Project grants and contracts.

The Secretary is authorized to make grants to or contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects (i) for the preparation of graduate or professional students to enter the public service or (ii) for research into, or development or demonstration of, improved methods of education for the public service. Such grants or contracts may include payment of all or part of the cost of programs or projects such as—

- (1) planning for the development or expansion of graduate or professional programs to prepare students to enter the public service;
- (2) training and retraining of faculty members;
- (3) strengthening the public service aspects of courses or curriculums leading to a graduate or professional degree;
- (4) establishment, expansion, or operation of centers for study at the graduate or professional level (but not including payment for construction or acquisition of buildings);
- (5) conduct of short-term or regular session institutes for advanced study by persons engaged in, or preparing to engage in, the preparation of students to enter the public service;
- (6) carrying out innovative and experimental programs of cooperative education involving alternate periods of full-time or part-time academic

study at the institution and periods of full-time or part-time public service; and

- (7) research into, and development of, methods of training students or faculty, including the preparation of teaching materials and the planning of curriculum.

(Pub. L. 89-329, title IX, § 903, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1043.)

§ 1134b. Application for grants or contracts.

(a) Requisites of application.

A grant or contract authorized by this part may be made only upon application to the Secretary at such time or times and containing such information as he may prescribe, except that no such application shall be approved unless it—

- (1) sets forth programs, activities, research, or development for which a grant is authorized under this part, and describes the relation to any program set forth by the applicant in an application, if any, submitted pursuant to part B;

- (2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

- (3) provides for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

(b) Allocation of grants and contracts.

The Secretary shall allocate grants or contracts under this part in such manner as will most nearly provide an equitable distribution of the grants or contracts throughout the United States among institutions of higher education which show promise of being able to use funds effectively for the purposes of this part.

(c) Payment of compensation of students employed in public service; participation of Federal agencies and departments.

(1) Payments under this section may be used, in accordance with regulations of the Secretary, and subject to the terms and conditions set forth in an application approved under subsection (a) of this section, to pay part of the compensation of students employed in public service, other than public service as an employee in any branch of the Government of the United States, as part of a program for which a grant has been approved pursuant to this section.

- (2) Departments and agencies of the United States are encouraged, to the extent consistent with efficient administration, to enter into arrangements with institutions of higher education for the full-time, part-time, or temporary employment, whether in the competitive or excepted service, of students enrolled in programs set forth in applications approved under subsection (a) of this section. (Pub. L. 89-329, title IX, § 904, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1044.)

PART B.—PUBLIC SERVICE FELLOWSHIPS**§ 1134c. Authorization to award fellowships.**

The Secretary is authorized to award fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Secretary may determine but not to exceed three academic years. (Pub. L. 89-329, title IX, § 911, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1044.)

§ 1134d. Allocation of fellowships

The Secretary shall allocate fellowships under this part among institutions of higher education with programs approved under the provisions of this part for the use of individuals accepted into such programs, in such manner and according to such plan as will insofar as practicable—

(1) provide an equitable distribution of such fellowships throughout the United States; and

(2) attract recent college graduates to pursue a career in public service.

(Pub. L. 89-329, title IX, § 912, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1045.)

§ 1134e. Approval of programs.

The Secretary shall approve a graduate or professional program of an institution of higher education only upon application by the institution and only upon his findings—

(1) that such program has as a principal or significant objective the education of persons for the public service, or the education of persons in a profession or vocation for whose practitioners there is a significant and continuing need in the public service as determined by the Secretary after such consultation with other agencies as may be appropriate;

(2) that such program is in effect and of high quality, or can readily be put into effect and may reasonably be expected to be of high quality;

(3) that the application describes the relation of such program to any program, activity, research, or development set forth by the applicant in an application, if any, submitted pursuant to part A; and

(4) that the application contains satisfactory assurance that (A) the institution will recommend to the Secretary, for the award of fellowships under this part, for study in such program, only persons of superior promise who have demonstrated to the satisfaction of the institution a serious intent to enter the public service upon completing the program, and (B) the institution will make reasonable continuing efforts to encourage recipients of fellowships under this part, enrolled in such program, to enter the public service upon completing the program.

(Pub. L. 89-329, title IX, § 913, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1045.)

§ 1134f. Stipends.

(a) The Secretary shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses

for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(b) The Secretary shall (in addition to the stipends paid to persons under subsection (a) of this section) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs. (Pub. L. 89-329, title IX, § 914, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1045.)

§ 1134g. Fellowship conditions.

A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in this part only during such periods as the Secretary finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of higher education, and is not engaging in gainful employment other than employment approved by the Secretary by or pursuant to regulation. (Pub. L. 89-329, title IX, § 915, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1045.)

PART C.—GENERAL PROVISIONS**§ 1134h. Definitions.**

As used in this subchapter—

(a) The term "State" includes the Canal Zone, and the Trust Territory of the Pacific Islands.

(b) The term "institution of higher education" means an educational institution described in the first sentence of section 1141 of this title (other than an institution of any agency of the United States) which is accredited by a nationally recognized accrediting agency or association approved by the Secretary for this purpose. For purposes of this subsection, the Secretary shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(c) The term "public service" means service as an officer or employee in any branch of State, local, or Federal Government.

(d) The term "academic year" means an academic year or its equivalent, as determined by the Secretary. (Pub. L. 89-329, title IX, § 921, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1046.)

§ 1134i. Coordination of Federal assistance.

In administering this subchapter, the Secretary shall give primary emphasis to the assistance of programs and activities not otherwise assisted by the Department of Health, Education, and Welfare, or by other agencies of the Federal Government, so as to promote most effectively the objectives of this subchapter. (Pub. L. 89-329, title IX, § 922, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1046.)

§ 1134j. Schools or departments of divinity.

No grant, contract, or fellowship shall be awarded under this subchapter to, or for study at, a school or department of divinity. For the purposes of this section, the term "school or department of divinity"

means an institution or department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects. (Pub. L. 89-329, title IX, § 923, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1046.)

§ 1134k. Report.

The Secretary shall include in his annual report to the Congress a report of activities of his Department under this subchapter, including recommendations for needed revisions in the provisions thereof. (Pub. L. 89-329, title IX, § 924, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1046.)

§ 1134l. Authorization of appropriations.

There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, \$5,000,000 for the fiscal year ending June 30, 1970, and \$13,000,000 for the fiscal year ending June 30, 1971, to carry out the purposes of this subchapter (and planning and related activities in the initial fiscal year for such purpose). Funds appropriated for the fiscal year ending June 30, 1969, shall be available for obligation pursuant to the provisions of this subchapter during that year and the succeeding fiscal year. (Pub. L. 89-329, title IX, § 925, as added Pub. L. 90-575, title II, § 261, Oct. 16, 1968, 82 Stat. 1046.)

SUBCHAPTER IX.—IMPROVEMENT OF GRADUATE PROGRAMS

§ 1135. Congressional statement of purpose.

The purposes of this subchapter are to strengthen and improve the quality of graduate programs leading to a doctoral or professional (other than medical) degree, and to increase the number of such quality programs. (Pub. L. 89-329, title X, § 1001, as added Pub. L. 90-575, title II, § 271, Oct. 16, 1968, 82 Stat. 1047.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1135a of this title.

§ 1135a. Authorization of appropriations; types of programs; limitations.

(a) There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, \$5,000,000, for the fiscal year ending June 30, 1970, and \$10,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants to institutions of higher education having programs leading to a degree of doctor of philosophy or comparable professional or other graduate degree, upon such terms and conditions as he may establish, to pay part of the cost of planning, developing, or carrying out projects or activities designed to achieve one or more of the purposes set forth in section 1135 of this title. Such amount for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this subchapter. Such grants may be used for experimental, innovative, or interdisciplinary projects or activities such as—

- (1) the strengthening of graduate faculties by enlarging their size, improving their academic or

professional qualifications, or increasing the number of disciplines in which they are skilled;

(2) the expansion or improvement of existing graduate programs, or the establishment of additional graduate programs;

(3) the acquisition of appropriate equipment or curricular, research, or other materials required to fulfill the objectives of projects or activities described in clause (2);

(4) the development or carrying out of cooperative arrangements among graduate schools in furtherance of the purposes of this subchapter; or

(5) the strengthening of graduate school administration.

(b) No portion of the sums granted under this subchapter may be used—

(1) for payment in excess of 66⅔ per centum of the total cost of such project or activity;

(2) for payment in excess of 50 per centum of the cost of the purchase or rental of books, audiovisual aids, scientific apparatus, or other materials or equipment, less any per centum of such cost, as determined by the Commissioner, that is paid from sums received (other than under this part) as Federal-financial assistance; or

(3) for sectarian instruction or religious worship, or primarily in connection with any part of the program of an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

(Pub. L. 89-329, title X, § 1002, as added Pub. L. 90-575, title II, § 271, Oct. 16, 1968, 82 Stat. 1047.)

§ 1135b. Selection of grant recipients.

In the awarding of grants under this subchapter the Commissioner shall, insofar as practicable and consistent with the other purposes of this subchapter, give weight to the objective of having an adequate number of graduate and professional schools of good quality within each appropriate region. (Pub. L. 89-329, title X, § 1003, as added Pub. L. 90-575, title II, § 271, Oct. 16, 1968, 82 Stat. 1048.)

§ 1135c. Consultation.

In the development of general policy governing the administration of this subchapter, the Commissioner shall consult with the National Science Foundation, the National Foundation on the Arts and the Humanities, and the Federal Judicial Center for the purpose of promoting the coordination of Federal programs bearing on the purposes of this subchapter. (Pub. L. 89-329, title X, § 1004, as added Pub. L. 90-575, title II, § 271, Oct. 16, 1968, 82 Stat. 1048.)

SUBCHAPTER X.—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

§ 1136. Program authorization.

(a) Contracts with law schools.

The Commissioner is authorized to enter into contracts with accredited law schools in the States for the purpose of paying not to exceed 90 per centum of the cost of establishing or expanding programs in

such schools to provide clinical experience to students in the practice of law, with preference being given to programs providing such experience, to the extent practicable, in the preparation and trial of cases.

(b) Allowable expenditures.

Such costs may include necessary expenditures incurred for—

- (1) planning;
- (2) training of faculty members and salary for additional faculty members;
- (3) travel and per diem for faculty and students;
- (4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;
- (5) equipment; and
- (6) such other items as are allowed pursuant to regulations issued by the Commissioner.

(c) Limitations.

No law school may receive more than \$75,000 in any fiscal year pursuant to this subchapter.

(d) Accredited law schools.

For the purpose of this subchapter the term "accredited law school" means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose. (Pub. L. 89-329, title XI, § 1101, as added Pub. L. 90-575, title II, § 281, Oct. 16, 1968, 82 Stat. 1048.)

§ 1136a. Applications.

(a) A contract authorized by this subchapter may be made by the Commissioner upon application which—

- (1) is made at such time or times and contains such information as he may prescribe;
- (2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subchapter; and
- (3) provides for making such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this subchapter, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall allocate contracts under this subchapter in such manner as will provide an equitable distribution of such contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this subchapter. (Pub. L. 89-329, title XI, § 1102, as added Pub. L. 90-575, title II, § 281, Oct. 16, 1968, 82 Stat. 1048.)

§ 1136b. Authorization of appropriations.

There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1968, and \$7,500,000 for each of the fiscal years ending June 30, 1970, and June 30, 1971, to carry out the purposes of this subchapter (and planning and related activities in

the initial fiscal year for such purposes). Funds appropriated for the fiscal year ending June 30, 1969, shall be available for obligation pursuant to the provisions of this subchapter during that year and the succeeding fiscal year. (Pub. L. 89-329, title XI, § 1103, as added Pub. L. 90-575, title II, § 281, Oct. 16, 1968, 82 Stat. 1049.)

SUBCHAPTER XI.—GENERAL PROVISIONS

§ 1141. Definitions.

As used in this chapter—

(a) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (1), (2), (4), and (5). For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(b) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

(c) The term "nonprofit" as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(d) The term "secondary school" means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(e) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(f) The term "Commissioner" means the Commissioner of Education.

(g) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(h) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(i) The term "elementary school" means a school which provides elementary education including education below grade 1, as determined under State law.

(j) The term "combination of institutions of higher education" means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf. (Pub. L. 89-329, title XII, § 1201, formerly title VIII, § 801, Nov. 8, 1965, 79 Stat. 1269, as renumbered and amended Pub. L. 90-575, title II, §§ 251, 293, 294, Oct. 16, 1968, 82 Stat. 1042, 1050, 1051.)

REFERENCES IN TEXT

This chapter, referred to in the text, was, in the original, "this Act," meaning Pub. L. 89-329. For complete classification of Pub. L. 89-329 to this Code, see Short Title note under section 1001 of this title.

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-575, § 293, denominated existing provisions of cl. (5) as subcl. (B) thereof and added subcl. (A) and, in the provisions following the enumerated five clauses, substituted reference to schools which provide not less than a one-year program of training to prepare students for gainful employment in a recognized occupation for reference to business schools and technical institutions.

Subsec. (j). Pub. L. 90-575, § 294 added subsec. (j) defining "combination of institutions of higher education".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1088, 1134h of this title and in title 42 section 3781.

§ 1142. Method of payment.

Payments under this chapter to any individual or to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant, loan, or contract, may be made in installments, and in advance or by way of reimbursement, and, in the case of grants or loans, with necessary adjustments on account of overpayments or underpayments. (Pub. L. 89-329, title XII, § 1202,

formerly title VIII, § 802, Nov. 8, 1965, 79 Stat. 1270, renumbered Pub. L. 90-575, title II, § 251, Oct. 16, 1968, 82 Stat. 1042.)

REFERENCES IN TEXT

This chapter, referred to in the text, was, in the original, "this Act", meaning Pub. L. 89-329. For complete classification of Pub. L. 89-329 to this Code, see Short Title note under section 1001 of this title.

§ 1143. Delegation of Commissioner's functions; utilization of services and facilities of Federal agencies.

(a) The Commissioner is authorized to delegate any of his functions under this chapter, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this chapter, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof. (Pub. L. 89-329, title XII, § 1203, formerly title VIII, § 803, Nov. 8, 1965, 79 Stat. 1270, renumbered Pub. L. 90-575, title II, § 251, Oct. 16, 1968, 82 Stat. 1042.)

REFERENCES IN TEXT

This chapter, referred to in the text, was, in the original, "this Act", meaning Pub. L. 89-329. For complete classification of Pub. L. 89-329 to this Code, see Short Title note under section 1001 of this title.

§ 1144. Federal control over education prohibited.

(a) Nothing contained in this chapter shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by any educational institution.

(b) Nothing contained in this chapter or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the membership practices or internal operations of any fraternal organization, fraternity, sorority, private club or religious organization at an institution of higher education (other than a service academy or the Coast Guard Academy) which is financed exclusively by funds derived from private sources and whose facilities are not owned by such institution. (Pub. L. 89-329, title XII, § 1204 formerly title VIII, § 804, Nov. 8, 1965, 79 Stat. 1270, renumbered Pub. L. 90-575, title II, § 251, Oct. 16, 1968, 82 Stat. 1042.)

REFERENCES IN TEXT

This chapter, referred to in the text, was, in the original, "this Act", meaning Pub. L. 89-329. For complete classification of Pub. L. 89-329 to this Code, see Short Title note under section 1001 of this title.

§ 1145. Advisory Council on Graduate Education.

(a) Establishment; membership.

There is hereby established in the Office of Education an Advisory Council on Graduate Education (hereafter in this section referred to as the "Council"), consisting of the Commissioner, who shall be

Chairman, of one representative each from the Office of Science and Technology in the Executive Office of the President, the National Science Foundation, and the National Foundation on the Arts and the Humanities, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall be selected from among leading authorities in the field of education, except that at least one of them shall be a graduate student.

(b) Function.

The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to graduate education.

(c) Compensation; travel expenses.

Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS-18 in section 5332 of Title 5, including traveltime, and while so serving on the business of the Council away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of Title 5, for persons employed intermittently in the Government service.

(d) Technical assistance.

The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions. (Pub. L. 89-329, title XII, § 1205, as added Pub. L. 90-575, title II, § 291(a), Oct. 16, 1968, 82 Stat. 1049.)

§ 1146. Dissemination of information.

(a) For the purpose of carrying out more effectively the provisions of this chapter, the National Defense Education Act of 1958, the Higher Education Facilities Act of 1963, and other Acts administered by him in the field of higher education (including those administered by him by delegation), the Commissioner—

(1) shall prepare and disseminate to institutions of higher education, State agencies concerned with higher education, and other appropriate agencies and institutions (A) reports on programs and projects assisted under such Acts and other programs and projects of a similar nature, and (B) catalogs, reviews, bibliographies, abstracts, analyses of research and experimentation, and such other materials as are generally useful for such purpose;

(2) may upon request provide advice, counsel, technical assistance, and demonstrations to institutions and agencies referred to in paragraph (1) undertaking to initiate or expand programs or projects under such Acts in order to enhance the quality, increase the depth, or broaden the scope of such programs or projects, and shall inform

such institutions and agencies of the availability of assistance pursuant to this paragraph.

(3) shall from time to time prepare and disseminate to institutions and agencies referred to in paragraph (1) reports setting forth developments in the utilization and adaptation of projects carried out pursuant to such Acts; and

(4) may enter into contracts with public or private agencies, organizations, groups, or individuals to carry out the provisions of this section.

(b) There are authorized to be appropriated to carry out the provisions of this section \$2,000,000 for the fiscal year ending June 30, 1970. For the fiscal year ending June 30, 1971, there may be appropriated to carry out the provisions of this section only such amount as the Congress may hereafter authorize by law. (Pub. L. 89-329, title XII, § 1206, as added Pub. L. 90-575, title II, § 292, Oct. 16, 1968, 82 Stat. 1050.)

REFERENCES IN TEXT

This chapter, referred to in text, was, in the original, "this Act", meaning the Higher Education Act of 1965, Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, which is classified principally to this chapter and sections 2751-2756 of Title 42, The Public Health and Welfare.

The National Defense Education Act of 1958, referred to in text, is Pub. L. 85-864, Sept. 2, 1958, 72 Stat. 1581, which is classified principally to section 401 et seq. of this title.

The Higher Education Facilities Act of 1963, referred to in text, is Pub. L. 88-204, Dec. 16, 1963, 77 Stat. 363, which is classified to section 701 et seq. of this title.

§ 1147. Program planning and evaluation for higher education programs.

There are authorized to be appropriated \$1,117,000 for the fiscal year ending June 30, 1969, and \$1,900,000 for the fiscal year ending June 30, 1970, to be available to the Secretary, in accordance with regulations prescribed by him, for expenses, including grants, loans, contracts, or other payments, for (1) planning for the succeeding year programs or projects authorized under any other provision of this chapter or any provision of the National Defense Education Act of 1958 or the Higher Education Facilities Act of 1963, and (2) evaluation of programs or projects so authorized. (Pub. L. 89-329, title XII, § 1207, as added Pub. L. 90-575, title II, § 295, Oct. 16, 1968, 82 Stat. 1051.)

REFERENCES IN TEXT

This chapter, referred to in text, was, in the original, "this Act", meaning the Higher Education Act of 1965, Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, which is classified principally to this chapter and sections 2751-2756 of Title 42, Public Health and Welfare.

The National Defense Education Act of 1958, referred to in text, is Pub. L. 85-864, Sept. 2, 1958, 72 Stat. 1581, which is classified principally to section 401 et seq. of this title.

The Higher Education Facilities Act of 1963, referred to in text, is Pub. L. 88-204, Dec. 16, 1963, 77 Stat. 363, which is classified to section 701 et seq. of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1148-1150 of this title.

§ 1148. Advance funding.

To the end of affording the responsible State, local, and Federal officers concerned adequate notice of available Federal financial assistance for education, appropriations for grants, loans, contracts, or other payments under any Act referred to in section 1147 of

this title are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. In order to effect a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding that its initial application under any such Act will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year. (Pub. L. 89-329, title XII, § 1208, as added Pub. L. 90-575, title II, § 295, Oct. 16, 1968, 82 Stat. 1051.)

§ 1149. Evaluation reports and Congressional review.

(a) No later than March 31 of each calendar year, the Secretary shall transmit to the respective committees of the Congress having legislative jurisdiction over any Act referred to in section 1147 of this title and to the respective Committees on Appropriations a report evaluating the results and effectiveness of programs and projects assisted thereunder during the preceding fiscal year, together with his recommendations (including any legislative recommendations) relating thereto.

(b) In the case of any such program, the report submitted in the penultimate fiscal year for which appropriations are then authorized to be made for such program shall include a comprehensive and detailed review and evaluation of such program (as up to date as the due date permits) for its entire past life, based to the maximum extent practicable on objective measurements, together with the Secretary's recommendations as to proposed legislative action. (Pub. L. 89-329, title XII, § 1209, as added Pub. L. 90-575, title II, § 295, Oct. 16, 1968, 82 Stat. 1052.)

§ 1150. Availability of appropriations on academic or school year basis.

Appropriations for any fiscal year for grants, loans, contracts, or other payments to educational agencies or institutions under any Act referred to in section 1147 of this title, may, in accordance with regulations of the Secretary, be made available for expenditure by the agency or institution concerned on the basis of an academic or school year differing from such fiscal year. (Pub. L. 89-329, title XII, § 1210, as added Pub. L. 90-575, title II, § 295, Oct. 16, 1968, 82 Stat. 1052.)

Chapter 29.—INTERNATIONAL STUDIES AND RESEARCH [New]

Sec.

- 1171. Congressional findings and declaration of purpose.
- 1172. Centers for advanced international studies; grants; visiting scholars; stipends; travel.
- 1173. Undergraduate programs in international studies.
 - (a) Grants; programs.
 - (b) Form and requisites of application for grant funds.
 - (c) Allocation of grant funds; effective use.
- 1174. Authority to make payments in installments and in advance or by way of reimbursement; administration.
- 1175. Federal control of education prohibited.
- 1176. Appropriations and reports.
 - (a) Authorization of appropriations.
 - (b) Initial report and recommendations.
 - (c) Annual report to Congress.

Sec.

- 1177. National Advisory Committee on International Studies.
 - (a) Establishment; membership; appointment by President.
 - (b) Reports.
 - (c) Compensation.
 - (d) Professional and technical personnel.

§ 1171. Congressional findings and declaration of purpose.

The Congress hereby finds and declares that a knowledge of other countries is of the utmost importance in promoting mutual understanding and cooperation between nations; that strong American educational resources are a necessary base for strengthening our relations with other countries; that this and future generations of Americans should be assured ample opportunity to develop to the fullest extent possible their intellectual capacities in all areas of knowledge pertaining to other countries, peoples, and cultures; and that it is therefore both necessary and appropriate for the Federal Government to assist in the development of resources for international study and research, to assist in the development of resources and trained personnel in academic and professional fields, and to coordinate the existing and future programs of the Federal Government in international education, to meet the requirements of world leadership. (Pub. L. 89-698, § 2, Oct. 29, 1966, 80 Stat. 1066.)

SHORT TITLE

Section 1 of Pub. L. 89-698 provided: "That this Act [enacting this section and sections 601, 602, and 1172—1177 of this title, amending sections 511, 592, and 1085(a) of this title and sections 2452, 2454, and 2455 of Title 22, Foreign Relations and Intercourse, and enacting material set out as notes under this section and section 2452 of Title 22] may be cited as the 'International Education Act of 1966'."

§ 1172. Centers for advanced international studies; grants; visiting scholars; stipends; travel.

(a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") is authorized to arrange through grants to institutions of higher education, or combinations of such institutions, for the establishment, strengthening, and operation by them of graduate centers which will be national and international resources for research and training in international studies and the international aspects of professional and other fields of study. Activities carried on in such centers may be concentrated either on specific geographical areas of the world or on particular fields or issues in world affairs which concern one or more countries, or on both. The Secretary may also make grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, when such grants will make an especially significant contribution to attaining the objectives of this section.

(b) Grants under this section may be used to cover part or all of the cost of establishing, strengthening, equipping, and operating research and training centers, including the cost of teaching and research materials and resources, the cost of programs for bringing visiting scholars and faculty to the center, and the cost of training, improvement,